

Risk Factors Comparison 2024-03-14 to 2023-03-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Investing **Our business is subject to a number of risks of which you should be aware before making a decision to invest** in our securities ~~involves a high degree of. These known and unknown risk risks~~ **– You, uncertainties and other factors include, without limitation:** • We believe that our existing cash, cash equivalents and marketable securities should be sufficient to meet our anticipated operating cash needs into early in ~~carefully consider the risks and uncertainties described below together with all of the other--~~ **the information contained in this Annual Report third quarter of 2025, based** on Form 10-K before deciding to invest in our securities. If any of the events or ~~our current~~ **developments described below were to occur, our business plan**, prospects, operating results and financial ~~expectations and assumptions considering current~~ **macroeconomic** condition ~~conditions~~ could suffer materially, the trading price of our securities could decline, and you could lose all or part of your investment. **Accordingly,** The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. Risks Related to Our Financial Condition and Status as an Early- Stage Company ~~Based~~ **based** on our estimates and current business plan, we expect that we will need to ~~raise~~ **obtain** additional capital by ~~late 2024 or early in the~~ **third quarter of 2025** in order to continue ~~fund~~ **our** research and development efforts and achieve our business objectives ~~–We will require a significant amount of cash for expenditures as~~ **currently planned. Our estimate does not assume any** we invest in ongoing research and development and business operations and may need additional **financing** capital sooner than planned to pursue our business objectives and respond to business opportunities, challenges or unforeseen circumstances, and we cannot be sure that additional financing will be available. If we are unable to raise additional funding when needed ~~As a~~ **,we could** experience adverse consequences resulting ~~–~~ **result from,** we filed amendments to our Reports Form 10- Q for the quarters ended March 31,2022 and June 30,2022 restating our financial statements for such periods and were unable to ~~compromise,including but not limited to~~ **file** regulatory investigations or ~~our Report on Form 10- Q actions;litigation;fines and penalties;disruptions of our business operations;reputational harm;loss of revenue or for profits;loss of customers or sales;and other--~~ **the** adverse consequences ~~quarter ended September 30, 2022 by the prescribed deadline~~ **which may adversely affect our business.** • **See “**We have identified material weaknesses in our internal control over financial reporting related to the lack of effective review controls over the accounting for complex financial instruments and to the design and operation of our overall closing and financial reporting processes,and we may identify additional material weaknesses in the future.The material weakness over accounting for complex financial instruments has resulted in errors in financial statements for prior periods.If we fail to remediate such material weaknesses,if we identify additional material weaknesses or if we otherwise fail to establish and maintain effective control over financial reporting,it may adversely affect our ability to accurately and timely report our financial results in the future,and may adversely affect investor confidence,our reputation,our ability to raise additional capital and our business operations and financial condition. •**”**, we may be required to delay, limit or substantially reduce our quantum computing development efforts. Our business and future plans for expansion are capital- intensive, and the specific timing of cash inflows and outflows may fluctuate substantially from period to period. We will require a significant amount of cash for expenditures as we invest in ongoing research and development and business operations. For example, in addition to our continuing investment in our technology roadmap we ~~may~~ **continue** to invest in the expansion of and upgrades to our Fab- 1 facility. ~~In addition to increased electrical utility fees going forward, we may be required to pay additional amounts in~~ **taxes, penalties or otherwise related to the electrical utility fees that were unpaid and unrecognized in prior periods as discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.** We have incurred and expect to incur costs related to, among other things, ~~the reduction in workforce that we announced in February 2023 and our recent management transitions, in addition to expenses relating to the~~ **remediation of our material weaknesses in internal controls over financial reporting.** The actual amounts we may be required to spend on these and other matters may be greater and more significant than our expectations. We believe that our existing cash, cash equivalents and marketable securities should be sufficient to meet our anticipated operating cash needs ~~for at least into early in the next 12 months~~ **third quarter of 2025** based on our current business plan, and expectations and assumptions considering current macroeconomic conditions. **Accordingly,** ~~Based~~ **based** on our estimates and current business plan, we expect that we will need to obtain additional capital by ~~late 2024 or early~~ **in the third quarter of 2025** in order to continue our research and development efforts and achieve our business objectives. Our operating plan may change because of factors currently unknown, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings or other sources, such as strategic collaborations or other transactions. In addition, we may seek additional capital even if we believe that we have sufficient funds for current or future operating plans. Such financings may result in dilution to stockholders, issuance of securities with priority as to liquidation and dividend and other rights more favorable than common stock, imposition of debt covenants and repayment obligations or other restrictions that may adversely affect our business. Any funds we raise may not be sufficient to enable us to continue to implement our long- term business strategy. Further, our ability to raise additional capital may be adversely impacted by worsening global economic conditions and ~~the recent~~ **disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from**, ~~the continuing impacts of the COVID-19 pandemic, recent and potential future~~ **disruptions in access to bank deposits or lending commitments due to bank failures and,** ~~the~~ **military conflict with Russia and Ukraine and the related sanctions imposed against Russia and the state of war between Israel and Hamas and the related risk of a larger regional conflict**. There can be no assurance that further deterioration in credit and financial

markets and confidence in economic conditions will not occur. A severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for our products and services and our ability to raise additional capital when needed on acceptable terms, if at all. ~~If~~ **27** If the equity and credit markets continue to deteriorate, it may make any necessary ~~debt or equity~~ financing more difficult, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could impair our ability to achieve our growth strategy, could harm our financial performance and stock price ~~and~~, **and could require us to delay, limit, or substantially reduce our quantum computing development efforts. If we are unable to obtain sufficient capital we would be unable to fund our operations and may be required to evaluate alternatives, which could include dissolving and liquidating our assets in which case we may receive less than the value at which those assets are carried on our audited financial statements, and / or seeking protection under bankruptcy laws, and a determination to file for bankruptcy could occur at a time that is earlier than when we would otherwise exhaust our cash resources, and it is unclear to what extent we would be able to pay our obligations, and, accordingly, it is further unclear whether and to what extent any resources would be available for distribution to stockholders. This could potentially cause us to cease operations and result in a complete or partial loss of your investment in our securities.** We cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business. There can be no assurance that financing will be available to us on favorable terms, or at all. ~~The inability to obtain financing when needed may make it more difficult for us to operate our business or implement our growth plans and we may be required to delay, limit or substantially reduce our quantum computing development efforts.~~ In addition, our ability to raise additional capital through the sale of securities could be significantly impacted by the resale of our securities by holders of our securities which could result in a significant decline in the trading price of our securities and potentially hinder our ability to raise capital at terms that are acceptable to us or at all. We are in our early stages and have a limited operating history, which makes it difficult to forecast ~~our~~ **the** future results of **our** operations. Our business was founded in 2013 and has operated quantum computers over the cloud since 2017. As a result of our limited operating history, our ability to accurately forecast the future results of operations is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. Our ability to generate revenues will largely be dependent on our ability to develop and produce quantum computers with increasing numbers of quantum bits (“qubits”) and with increasing levels of performance. As of the date hereof, the highest number of qubits we have externally deployed is a quantum computer with ~~80-84~~ qubits with ~~94-98~~. ~~5-0~~ % median fidelities As a result, our scalable business model has not been formed and our technology roadmap may not be realized as quickly as hoped, or even at all. We have in the past failed to meet publicly announced milestones and may fail to meet projected technological milestones in the future. In addition, we have in the past changed our technology roadmap, including anticipated milestones and timing thereof. **We** For example, in 2018, we announced that we planned to build and deploy a 128-qubit system over the subsequent twelve months, but have not to date built a 128-qubit system. In addition, in 2022 we updated ~~the past changed~~ our technology roadmap, including ~~the~~ anticipated ~~milestones and timing thereof~~ for the 84Q Ankaa system, ~~including~~ the 336Q Lyra system, 1,000 qubit system, 4,000 qubit system and incremental milestones relating to applications, access and production, Quantum Cloud Services (“Quantum Cloud Services” or “QCS”), quantum processing units and chip fabrication. We revised our technology roadmap in February ~~each of the years ended 2018, 2022 and~~ 2023 to reflect our updated business strategy, including our plan to first concentrate on the goal of delivering the Ankaa-1 84-qubit system, then prioritize increasing the performance of the anticipated Ankaa-1 84-qubit system by focusing efforts on improving performance with an anticipated Ankaa-2 84-qubit system, and thereafter scale to develop the anticipated Lyra 336-qubit system, and after our internal deployment of Ankaa-1 in March 2023, we further refined this plan to reflect that we plan to continue to work to improve Ankaa-1 performance before the potential external release of the system to select customers. We may further update the technology roadmap in the future, including anticipated milestones and anticipated timeline for milestones. Furthermore, we may be unable to achieve the milestones in our technology roadmap on their announced anticipated timeline or at all. The development of our scalable business model will likely require the incurrence of a substantially higher level of costs than incurred to date, while our revenues will not substantially increase unless and until more powerful, scalable, higher performing computers are produced, which requires a number of technological advancements which may not occur on the currently anticipated timetable or at all. As a result, our historical results should not be considered indicative of our future performance. Further, in future periods, our growth could slow or decline for a number of reasons, including but not limited to slowing demand for our Quantum Cloud Services (“Quantum Cloud Services” or “QCS”), increased competition, changes to technology, inability to scale up or improve performance of our technology, a decrease in the growth of the market, or our failure, for any reason, to continue to take advantage of growth opportunities. ~~28~~ We have also encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If our assumptions regarding these risks and uncertainties and our future growth are incorrect or change, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and our business could suffer. Our success as a business ultimately relies upon fundamental research and development breakthroughs in the coming years. There is no certainty these research and development milestones will be achieved as quickly as hoped, or even at all. **We** ~~28~~ **We** have a history of operating losses and expect to incur significant expenses and continuing losses for the foreseeable future. We incurred net losses of \$ ~~75.1 million and~~ \$71.5 million ~~and~~ \$41.7 million for the ~~year~~ **years** ended December 31, ~~2022~~ **2023** and the twelve months ended December 31, ~~2021~~ **2022**, respectively, and \$38. ~~As of 2 million for the eleven months ended~~ December 31, ~~2021~~ **2023**. As of December 31, ~~2022~~, we had an accumulated deficit of \$278 ~~353~~. ~~7~~ **8** million. We believe that we will continue to incur operating and net losses each quarter until at least the time we begin generating significant revenue from our narrow or broad quantum advantage quantum computers, which may never occur. Even with significant production, our services may never become profitable. We **may** expect the rate at which we will incur losses to be

significantly higher **losses** in future periods as we, among other things, continue to incur significant expenses in connection with the design, development and manufacturing of our quantum computers; and as we expand our research and development activities; invest in manufacturing capabilities; build up inventories of components for our quantum computers; increase our sales and marketing activities; develop our infrastructure; and increase our general and administrative functions to support our growing operations and our being a public company. We may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses. If we are unable to achieve and / or sustain profitability, or if we are unable to achieve the growth that we expect from these investments, it could have a material **adverse** effect on our business, financial condition or results of operations. Our business model is unproven and may never allow us to cover our costs. Our operating results may be adversely affected by unfavorable economic and market conditions. We have recorded a charge for goodwill impairment and may in the future be required to record significant charges for impairment of other assets or investments. An adverse change in market conditions, including a sustained decline in our stock price, negative changes to the Company's position in the market, or lack of growth in demand for our products and services could be considered to be an impairment triggering event. Such changes in the future could impact valuation assumptions relating to the recoverability of assets and may result in impairment charges to our long- lived assets, other assets or investments, which would negatively impact our operating results and harm our business. There are inherent uncertainties in management's estimates, judgments and assumptions used in assessing recoverability of goodwill, intangible, and other long-lived assets. Any material changes in key assumptions, including failure to meet business plans, a deterioration in the U. S. and global financial markets, an increase in interest rates or an increase in the cost of equity financing by market participants within the industry or other unanticipated events and circumstances, may decrease our projected cash flows or increase discount rates and could potentially result in an impairment charge. From time to time, we may be required to record a significant charge to earnings in our consolidated financial statements during the period in which any impairment of our **goodwill or intangible and other** long- lived assets is determined, which might have a materially adverse impact on our business operations and our financial position or results of operations. For example, in assessing our goodwill in connection with the preparation of the financial statements for the fourth quarter and fiscal year ended December 31, 2022, we concluded indicators of impairment were present due to the current macroeconomic conditions, including continued declines in our stock price. Based upon the results of the impairment test, we recorded a goodwill impairment charge of \$ 5. 4 million within the consolidated statement of operations **for the year ended December 31, 2022**. ~~29~~ We may not be able to scale our business quickly enough to meet customer and market demand, which could result in lower profitability or cause us to fail to execute on our business strategies. In order to grow our business, we will need to continually evolve and scale our business and operations to meet customer and market demand. Quantum computing technology has never been sold at large- scale commercial levels. Evolving and scaling our business and operations places increased demands on our management as well as our financial and operational resources to:

- **attract new customers and grow our customer base;**
- ~~29~~ **maintain and increase the rates at which existing customers use our platform, sell additional products and services to our existing customers, and reduce customer churn;**
- **invest in our platform and product offerings;**
- **effectively manage organizational change;**
- **accelerate and / or refocus research and development activities;**
- **expand manufacturing and supply chain capacity;**
- **increase sales and marketing efforts;**
- **broaden customer- support and services capabilities;**
- **maintain or increase operational efficiencies;**
- **implement appropriate operational and financial systems; and**
- **establish and maintain effective financial disclosure controls and procedures and remediate material weaknesses thereof.**

Commercial traction of quantum computing technology may never occur. As noted above, there are significant technological challenges associated with developing, producing, marketing and selling services in the advanced technology industry, including our services, and we may not be able to resolve all of the difficulties that may arise in a timely or cost- effective manner, or at all. We may not be able to cost effectively manage production at a scale or quality consistent with customer demand in a timely or economical manner. Our ability to scale is dependent also upon components we must source from multiple industries including: from the electronics **and semi- conductor industry industries** with low- noise microwave components, CPUs, GPUs, FPGAs; **from the** cryogenic industry with dilution refrigerators and associated helium gas products; and from the semiconductor industry with silicon wafers and other specialty materials, tooling and measurement equipment. Shortages or supply interruptions in any of these components will **have an adversely** ~~adversely~~ **adverse impact on** our ability to deliver revenues. If large- scale development of our quantum computers commences, our computers may contain defects in design and manufacture that may cause them to not perform as expected or that may require repair and design changes. Our quantum computers are inherently complex and incorporate technology and components that have not been used for other applications and that may contain defects and errors, particularly when first introduced. We have a limited frame of reference from which to evaluate the long- term performance of our computers. There can be no assurance that we will be able to detect and fix any defects in our quantum computers in a timely manner that does not disrupt our services to our customers. If our technology fails to perform as expected, customers may seek out a competitor or turn away from quantum computing entirely, each of which could adversely affect our sales and brand and could adversely affect our business, prospects and results of operations. If defects in our technology lead to erroneous outputs, third parties relying on those outputs may draw from them erroneous conclusions, creating a risk that we will be liable to those third parties. If we cannot evolve and scale our business and operations effectively, we may not be able to execute our business strategies in a cost- effective manner and our business, financial condition, profitability and results of operations could be adversely affected. ~~30 Even~~ **30 Even** if the market in which we compete achieves its anticipated growth levels, our business could fail to grow at similar rates, if at all. Our success will depend upon our ability to expand, scale our operations, and increase our sales and support capability. Even if the market in which we compete meets the size estimates and growth forecasted, our business could fail to grow at similar rates, if at all. Our growth is dependent upon our ability to successfully **sell quantum computers,** expand our solutions and services, retain customers, bring in new customers and retain critical talent. Unforeseen issues associated with scaling up and constructing

quantum computing technology at commercially viable levels could negatively impact our business, financial condition and results of operations. Our growth is dependent upon our ability to successfully market and sell our quantum **computers, and quantum** computing services and solutions. We do not have experience with the large-scale production and sale of quantum computing technology. Our growth and long-term success will depend upon the development of our sales and retention capabilities. Moreover, because of our unique technology, our customers will require particular support and service functions, some of which are not currently available, and may never be available. If we experience delays in adding such support capacity or servicing our customers efficiently, or ~~experiences~~ **experience** unforeseen issues with the reliability of our technology, we could overburden our servicing and support capabilities. Similarly, increasing the number of our products and services would require us to rapidly increase the availability of these services. Failure to adequately support and service our customers may inhibit our growth and ability to expand. There is no assurance that we will be able to ramp our business to meet our sales, manufacturing, installation, servicing and quantum computing targets globally, that expected growth levels will prove accurate or that the pace of growth or coverage of our customer infrastructure network will meet customer expectations. For example, our competitors may achieve certain narrow and / or broad quantum milestones faster than us, which may negatively impact our business and prospects. Failure to grow at rates similar to that of the quantum computing industry may adversely affect our operating results and ability to effectively compete within the industry. We may not manage growth effectively, including with respect to our employee base, and managing our operations successfully. Our failure to manage growth effectively could harm our business, results of operations and financial condition. We anticipate that a period of significant expansion will be required to address potential growth. This expansion will place a significant strain on our management, operational and financial resources. For example, ~~the expansion of~~ **and upgrades to** our Fab 1 facility is **continual and ongoing**, and we may not complete the expansion **and upgrades** on terms originally anticipated, in a timely manner or at all, which could have a material impact on our business, financial condition or results of operations. Expansion ~~will~~ **and upgrades** require significant cash investments and management resources and there is no guarantee that they will generate additional sales of our products or services, or that we will be able to avoid cost overruns or be able to hire additional personnel to support us. In addition, we ~~will~~ also need to ensure our compliance with regulatory requirements in various jurisdictions applicable to the sale, installation and servicing of our products. To manage the growth of our operations and personnel, we must establish **, and maintain** appropriate and scalable operational and financial systems, procedures and controls and establish and maintain a qualified finance, administrative and operations staff. The reduction in workforce that we announced in February 2023 may impair our ability to manage growth and maintain operations effectively, due to factors such as loss of institutional knowledge and expertise, employee attrition beyond our intended reduction in force ~~, a reduction in morale among our remaining employees, greater-~~ ~~than-anticipated costs incurred in connection with implementing the restructuring,~~ and the risk that we may not achieve the benefits from the restructuring to the extent ~~or as quickly as we anticipate~~ **anticipated**, all of which may have a material adverse effect on our business, results of operations or financial condition. We may be unable to acquire the necessary capabilities and personnel required to manage growth or to identify, manage and exploit potential strategic relationships and market opportunities. ~~31 Our~~ **31 Our** recent updates to our business plan and **our 2023** workforce reduction may not have the anticipated benefits and we may incur additional costs or other difficulties. In February 2023, we announced an updated business plan and implemented a workforce reduction. The objective of these initiatives ~~is was~~ **is was** to focus our organization and its resources on nearer-term strategic priorities. We believe these changes were needed to streamline our organization and reallocate our resources to better align with our current strategic goals. However, the changes to our business strategy and the reduction in workforce may yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond our intended reduction-in-force ~~, a reduction in morale among our remaining employees,~~ and the risk that we may not achieve the anticipated benefits, all of which may have an adverse effect on our development activities, ability to progress our technology roadmap, and results of operations or financial condition. We may also incur other charges, costs, future cash expenditures or impairments not currently contemplated due to events that may occur as a result of, or in connection with, the revised business plan and reduction in workforce. In addition, we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees. In addition, our management may need to divert a disproportionate amount of its attention away from our day-to-day strategic and operational activities and devote a substantial amount of time to managing these organizational changes. We may also discover that the reductions in workforce and cost cutting measures will make it difficult for us to pursue new opportunities and initiatives and require us to hire qualified replacement personnel, which may require us to incur additional and unanticipated costs and expenses. Moreover, there is no assurance we will be successful in our pursuit of any of our ~~new~~ **new** goals. Our failure to successfully accomplish any of the above activities and goals may have a material adverse impact on our business, financial condition, and results of operations. We have a credit facility secured by substantially all of our assets under which we have borrowed and may in the future borrow additional amounts; any indebtedness thereunder could adversely affect our financial position and our ability to raise additional capital and prevent us from fulfilling our obligations. On March 10, 2021, we entered into a Loan and Security Agreement (as amended from time to time, the “ Loan Agreement ”) with Trinity Capital Inc. (“ Trinity ”). The ~~credit facility~~ **Loan Agreement** had an available borrowing capacity of \$ 32. 0 million. As of December 31, ~~2022~~ **2023**, we had total outstanding indebtedness of approximately \$ ~~30.22~~ **7.4** million consisting of outstanding borrowings under the Loan Agreement. Any future additional borrowings under this agreement are at the sole discretion of the lender. This and future indebtedness incurred under the Loan Agreement may: ~~•~~ **•** limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, or other general business purposes; ~~•~~ **•** require us to use a portion of our cash flow from operations to make debt service payments instead of other purposes, thereby reducing the amount of cash flow available for future working capital, capital expenditures, acquisitions, or other general business purposes; ~~•~~ **•** expose us to the risk of increased interest rates **and higher interest payments** as following the consummation of our initial public offering borrowings under the Loan Agreement are subject to

interest at the greater of (i) a floating per annum rate equal to 7.5% above the prime rate, or (ii) a fixed per annum rate equal to 11.0%, also paid on a monthly basis. **Because of this provision, we paid more for interest expense in 2023 due to increases in interest rates throughout the year;** ~~we~~ limit our flexibility to plan for, or react to, changes in our business and industry; ~~we~~ increase our vulnerability to the impact of adverse economic, competitive and industry conditions; and ~~we~~ increase our cost of borrowing. ~~The 32~~~~The credit facility~~ **Loan Agreement** is secured by substantially all of our assets. In addition, the Loan Agreement contains, and the agreements governing our future indebtedness may contain, restrictive covenants that may limit our ability to engage in activities that may be in our long-term best interest. These restrictive covenants include, among others, financial reporting requirements and limitations on indebtedness, liens, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other restricted payments, investments (including acquisitions) and transactions with affiliates. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of substantially all of our debt and potentially the foreclosure on our assets in the event we are unable to repay all amounts owed. Our ability to use net operating loss carryforwards and other tax attributes may be limited. We have incurred losses during our history, do not expect to become profitable in the near future and may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire, if at all. As of December 31, ~~2022~~ **2023** we had U. S. federal net operating loss carryforwards of approximately \$ ~~234~~ **225.7** million. Under current law, U. S. federal net operating loss carryforwards generated in taxable periods beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such net operating loss carryforwards is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to current federal law. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the “Code”), our federal net operating loss carryforwards, **federal research and development tax credit carryforwards** and other tax attributes ~~are~~ **may become** subject to ~~an annual limitation~~ **limitations because in the event of certain prior** cumulative changes in our ownership **and may be further limited in the future if additional ownership changes occur**. An “ownership change” pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5% of a company’s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. ~~Our ability to utilize our net operating loss carryforwards and other tax attributes to offset future taxable income or tax liabilities may be limited as a result of ownership changes, including changes in connection with the Business Combination or other transactions.~~ Similar rules may apply under state tax laws. **Our** ~~We have not yet determined the amount of the cumulative change in our ownership resulting from the Business Combination or other transactions, or any resulting limitations on our ability to utilize our~~ **federal net operating loss carryforwards, federal research and development tax credit carryforwards and other tax attributes to offset future taxable income or tax liabilities is limited because of prior ownership changes, including changes in connection with the Business Combination or other transactions, and may be further limited in the future if additional ownership changes occur.** See Note 19 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for information regarding our federal net operating loss carryforwards, federal research and development tax credit carryforwards and other tax attributes. If we earn taxable income, such limitations ~~could~~ **will most likely** result in increased future income tax liability and **have an adverse effect on** our future cash flows ~~could be adversely affected~~. We have recorded a valuation allowance related to our net operating loss carryforwards and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets. Risks Related to Our Business and ~~Industry~~ **Industry** ~~We~~ **We** have not produced quantum computers with high qubit counts or at volume and we face significant barriers in our attempts to produce quantum computers, including the need to invent and develop new technology. If we cannot successfully overcome those barriers, our business will be negatively impacted and could fail. Producing quantum computers is a difficult undertaking. There are significant engineering challenges that we must overcome to build our quantum computers. We are still in the development stage and face significant challenges in completing development of our quantum computers and in producing quantum computers in sufficient volumes. Some of the development challenges that could prevent the introduction of our quantum computers include, but are not limited to, failure to find scalable ways to manipulate qubits, failure to reduce error rates, failure to transition quantum systems to leverage low-cost components, and failure to realize multi-chip quantum computer technology. ~~33~~ **33** Even if we complete development and achieve volume production of our quantum computers, if the cost, accuracy, performance characteristics or other specifications of the quantum computer fall short of our expectations, our business, financial condition and results of operations would be adversely affected. ~~Any~~ **33** Any future generations of hardware and software developed to demonstrate narrow quantum advantage and broad quantum advantage, and the ~~anticipated release of an 84 qubit system and a subsequent 84 qubit system with reduced error rates, and the potential later~~ **anticipated release of an 84 qubit system and a subsequent 84 qubit system with reduced error rates, and the achievement of our targeted fidelities, each of which is an important anticipated milestone for our technology roadmap and commercialization**, may not occur on our anticipated timeline or at all. Our successful execution of our technology roadmap is based on the development of multiple generations of quantum computing systems, including hardware that demonstrates narrow quantum advantage and broad quantum advantage, and the ~~anticipated release of an 84 qubit system and a subsequent 84 qubit system with error rates reduced to 1% or lower, in addition to the~~ **anticipated release of an 84 qubit system and a subsequent 84 qubit system with error rates reduced to 1% or lower, in addition to the potential release of a 336 qubit system, and the achievement of our targeted fidelities, each of which is an important anticipated milestone for our technology roadmap and commercialization**. The future success of our technology roadmap will depend upon our ability to continue to increase the number of qubits and decrease error rates in each subsequent generation of our quantum computer. If we are unable to achieve the increase in the number of qubits or decrease in error rates on the timeframe that we anticipate, the availability of future generations of quantum computer systems may be materially delayed, or may never occur. In the past we have failed to meet publicly announced milestones and may fail to meet projected milestones in the future. If our technology roadmap is delayed or never achieved, this would have a material impact on our business, financial condition or results of operations. See “We are in our early stages and have a limited operating history, which makes it difficult to forecast our future results of

operations.” If our computers fail to achieve quantum advantage, our business, financial condition and future prospects may be harmed. ~~Moreover, the standards by which we measure our progress may be based on assumptions and expectations that are not accurate or that may change as quantum computing evolves.~~ Quantum advantage refers to the moment when a quantum computer can compute faster than traditional computers, while quantum supremacy is achieved once quantum computers are powerful enough to complete calculations that traditional supercomputers cannot perform at all. Narrow quantum advantage is when a quantum computer is able to solve practical problems in production workloads with improved accuracy, speed or cost. Broad quantum advantage is when quantum advantage is seen in many applications and developers prefer quantum computers to a traditional computer. No current quantum computers, including our quantum hardware, have reached broad quantum advantage, and may never reach such advantage. Achieving narrow quantum advantage and broad quantum advantage will be critical to the success of any quantum computing company, including ours. However, achieving quantum advantage would not necessarily lead to commercial viability of the technology that accomplished such advantage, nor would it mean that such system could outperform classical computers in tasks other than the one used to determine a quantum advantage. In addition, the definitions and expectations with respect to what constitutes quantum advantage, including the anticipated stages of quantum technology maturation, may continue to evolve and may also diverge from others in the industry. Quantum computing technology, including narrow quantum advantage and broad quantum advantage, may take years or decades to be realized, if ever. ~~In addition, the standards by which we measure our progress may be based on assumptions and expectations that are not accurate or that may change as quantum computing evolves.~~ For example, CLOPs as a speed test was originally developed by IBM in October 2021. To our knowledge, CLOPs as a speed test has not been investigated or verified by any independent third party. ~~In addition, while we have applied CLOPs in testing the speed of our Aspen-M-2 and Aspen-11 systems, there is no guarantee that we applied the test in the same way as IBM and, as a result, any variability in the application of the test as between Rigetti, IBM or others in the industry that may apply CLOPs in the future could render CLOPs scores incomparable and actual relative performance may materially differ from reported results. Other than IBM, others in the industry have not announced CLOPs as a speed test. As a result, the speed of other competitors as measured by CLOPs is not currently known. In addition, the solution accuracy provided by quantum computers is another key factor, and a quantum computer that may be slower may be preferable to users if it provides a more accurate answer for certain applications. Moreover, the relative leads 34 reflected by speed tests such as CLOPs can change as new generations of quantum computers are introduced by industry participants and, consequently, any advantages cannot be considered permanent and can be expected to change from time to time. Current CLOPs tests may not be indicative of the results of future tests.~~ If we cannot develop quantum computers that have quantum advantage, customers may not continue to purchase our products and services. If other companies’ quantum computers reach narrow quantum advantage or broad quantum advantage prior to the time we reach such capabilities, it could lead to a loss of customers. If any of these events occur, it could have a material adverse effect on our business, financial condition or results of operations. We may expend our resources to pursue particular products, designs, sectors or investments and we may fail to capitalize on such products, designs, sectors or investments and / or forego other products, designs, sectors or investments that may have been more profitable or for which there may have been a greater likelihood of success. Because we have limited financial and operational resources, we must prioritize our research and development for use of quantum computing within certain products, designs, sectors or investments. Correctly prioritizing our research and development activities is particularly important for us due to the breadth of companies building or seeking to build universal, gate- model quantum computing systems that can meet the requirements for solving commercial problems. ~~As 34As~~ a result, we may forego or delay pursuit of opportunities in other products, designs, sectors or investments that later prove to have greater commercial potential and ability to achieve quantum advantage. For example, although we currently believe that quantum machine learning for finance is poised to be an early domain of quantum advantage through rapid value capture from quick integration, the risks associated with developing a product that can compute algorithms that scale efficiently to real- world size applications and will be applicable to multiple use cases and competition in creating such a product, among others, could outweigh the benefits. In addition, in February 2023, we announced an updated business strategy and revisions to our technology roadmap reflecting a nearer term reprioritization and focus on **higher fidelities and** lower qubit systems than our prior business strategy and technology roadmap. We may fail to capitalize on the products, designs, sectors, or investments we choose to pursue, and our resource allocation decisions may cause us to ~~or~~ forego viable or more profitable products, designs, sectors or investments, which would have an adverse effect on our business, prospects and financial results. The quantum computing industry is competitive on a global scale and we may not be successful in competing in this industry or establishing and maintaining confidence in our long- term business prospects among current and future partners and customers. The markets in which we operate are rapidly evolving and highly competitive. As the marketplace continues to mature and new technologies and competitors enter, we expect competition to intensify. Our current competitors include: **•** large, well- established tech companies that generally compete across our products, including Quantinuum, Google, Microsoft, Amazon, Intel and IBM; **•** large research organizations funded by sovereign nations such as China, Russia, Canada, Australia and the United Kingdom, and those in the European Union as of the date of this Annual Report on Form 10- K and we believe additional countries in the future; **•** less- established public and private companies with competing technology, including companies located outside the United States; and **•** new or emerging entrants seeking to develop competing technologies. We compete based on various factors, including technology, performance, multi- cloud availability, brand recognition and reputation, customer support and differentiated capabilities, including ease of administration and ~~35~~ use, scalability and reliability, data governance and security. Many of our competitors have substantially greater brand recognition, customer relationships, and financial, technical and other resources, including an experienced sales force and sophisticated supply chain management. They may be able to respond more effectively than us to new or changing opportunities, technologies, standards, customer requirements and buying practices. In addition, many countries are focused on developing quantum computing solutions either in the private or public sector and may

subsidize quantum computers which may make it difficult for us to compete. Many of these competitors do not face the same challenges we do in growing our business. In addition, other competitors might be able to compete with us by bundling their other products in a way that does not allow us to offer a competitive solution. Additionally, we must be able to achieve our objectives in a timely manner lest quantum computing lose ground to competitors, including competing technologies. For example, our competitors may achieve certain narrow and / or broad quantum milestones faster than us, which may negatively impact our business and prospects. Because there are a large number of market participants, including certain sovereign nations, focused on developing quantum computing technology, we must dedicate significant resources to achieving any technical objectives on the timelines established by our management team. Any failure to achieve objectives in a timely manner could adversely affect our business, operating results and financial condition. For all of these reasons, competition may negatively impact our ability to maintain and grow consumption of our platform or put downward pressure on our prices and gross margins, any of which could materially harm our reputation, business, results of operations, and financial condition. ~~We~~ **35** ~~We~~ depend on a limited number of customers for a significant percentage of our revenue and the loss or temporary loss of a major customer for any reason could harm our financial condition. We have historically generated most of our revenue from a limited number of customers. **Revenue from U. S. government entities** ~~Our three largest customers, which differed by period, collectively accounted for 66.80.9 % and 81.3 % of our total revenue for the fiscal year years ended December 31, 2022-2023, and 66 % of our revenue for the eleven months ended-~~ ~~December 31, 2021-2022, respectively.~~ **Because** ~~As a consequence-~~ of the concentrated nature of our customer base, our quarterly revenue and results of operations may fluctuate from quarter to quarter and are difficult to estimate, and any delay, reduction or cancellation of orders or services rendered or any acceleration or delay in anticipated purchases or grants and awards by our larger customers could materially affect our revenue and results of operations in any quarterly period. For further information regarding our customer concentration, refer to Note **18 of 2-** ~~to the notes to~~ our audited consolidated financial statements for the **year-years** ended December 31, **2022-2023**, included elsewhere in this Annual Report on Form 10-K. We may be unable to sustain or increase our revenue from our larger customers, grow revenues with new or other existing customers, or offset the discontinuation of concentrated purchases by our larger customers with purchases by new or existing customers. These larger customers could also reduce or discontinue their purchases of our products and services in the event they transition to internally developed products and services or determine to divide their purchases of our products and services between us and a second source. We expect that such concentrated purchases will continue to contribute materially to our revenue for the foreseeable future and that our results of operations may fluctuate materially as a result of such larger customers' buying patterns or funding cycles. The loss or temporary loss of such customers, or a significant delay or reduction in their purchases, could materially harm our business, financial condition, results of operations and prospects. A significant portion of our revenue currently depends on contracts with the public sector, and our failure to receive and maintain government contracts or changes in the contracting or fiscal policies of the public sector could have a material adverse effect on our business. We derive a significant portion of our revenue from contracts with U. S. federal and foreign governments and government agencies, and we believe that the success and growth of our business will continue to depend on our successful procurement of government contracts. We have historically derived, and expect to continue to derive, **36** a significant portion of our revenue from contracts with agencies of the U. S. federal and foreign governments, either directly by us or through other government contractors. **In For** the year ended December 31, **2023 and** 2022 **and the eleven months ended December 31, 2021-** **respectively**, sales to government entities comprised **80.9 % and** 81.3 % **and 80.0-%** of our total revenue, respectively. Contracts with government agencies are subject to a number of challenges and risks. The bidding process for government contracts can be highly competitive, expensive, and time- consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate revenue. We also must comply with laws and regulations relating to the formation, administration, and performance of contracts, which provide public sector customers **with** rights, many of which are not typically found in commercial contracts. In addition, our perceived relationship with the U. S. government could adversely affect our business prospects in certain non- U. S. geographies or with certain non- U. S. governments. Accordingly, our business, financial condition, results of operations, and growth prospects may be adversely affected by certain events or activities, including, but not limited to: **•** **Changes in government fiscal or procurement policies, or decreases in government funding available for procurement of goods and services generally, or for our federal government contracts specifically;** **•** **Changes in government programs or applicable requirements;** **•** **Restrictions in the grant of personnel security clearances to our employees;** **•** **Ability to maintain facility clearances required to perform on classified contracts for U. S. federal government and foreign government agencies;** **•** **Changes in the political environment, including before or after a change to the leadership within the government administration, and any resulting uncertainty or changes in policy or priorities and resultant funding;** **•** **Changes in the government' s attitude towards us as a company or our platforms;** **•** **Appeals, disputes, or litigation relating to government procurement, including but not limited to bid protests by unsuccessful bidders on potential or actual awards of contracts to us or our partners by the government;** **•** **The adoption of new laws or regulations or changes to existing laws or regulations;** **•** **Budgetary constraints, including automatic reductions as a result of " sequestration " or similar measures and constraints imposed by any lapses in appropriations for the federal government or certain of its departments and agencies;** **•** **Influence by, or competition from, third parties with respect to pending, new, or existing contracts with government customers;** **•** **Changes in political or social attitudes with respect to security or data privacy issues;** **•** **Potential delays or changes in the government appropriations or procurement processes, including as a result of events such as war, incidents of terrorism, natural disasters, and public health concerns or epidemics, such as the coronavirus pandemic; and** **•** **Increased or unexpected costs or unanticipated delays caused by other factors outside of our control. For example, following the second quarter 2022, we experienced announced that we anticipate lower- than- expected new government contract opportunities and what we believe to be slower than anticipated timing of government funding and appropriations with respect to relevant projects in 2022. 37-** Any such of the

foregoing events or activities, among others, could cause governments and governmental agencies to delay or refrain from entering into contracts with us and / or purchasing our computers in the future, reduce the size or timing of payments with respect to our services to, or purchases from, existing or new government customers, or otherwise have an adverse effect on our business, results of operations, financial condition, and growth prospects. Our business is currently dependent upon our relationship with our cloud providers. There are no assurances that we will be able to commercialize quantum computers from our relationships with cloud providers. We currently offer access to quantum computing as a service (“ Quantum Computing as a Service ” or “ QCaaS ”), both directly to our end users with our own Quantum Cloud Services and indirectly to end users through public cloud providers such as Amazon Braket and Microsoft Azure Quantum who integrate our QCS into their own quantum computing platforms. These public cloud partners operate a service in direct competition with our providing direct access to QCS. Currently, a majority of our QCaaS business is run through the AWS service, and we intend to partner with additional partners to provide access to our QCaaS. Cloud computing partnerships could be terminated, or not scale as anticipated, or even at all. There is risk that one or more of the public cloud providers, such as AWS and Azure, could use their respective control of their public clouds to control market pricing of the services, restrict access, embed innovations or privileged interoperating capabilities in competing products, bundle competing products and leverage their public cloud customer relationships to exclude us from opportunities. Further, they have the resources to acquire or partner with existing and emerging providers of competing technology and thereby accelerate adoption of those competing technologies. All of the foregoing could make it difficult or impossible for us to provide products and services that compete favorably with those of the public cloud providers. ~~Further~~ **37** ~~Further~~, if our contractual and other business relationships with our partners are terminated, either by the counterparty or by us, suspended or suffer a material change to which we are unable to adapt, such as the elimination of services or features on which we depend, we would be unable to provide our QCaaS business at the same scale and would experience significant delays and incur additional expense in transitioning customers to a different public cloud provider. Currently, our customer agreement with AWS remains in effect until (i) terminated for convenience, which we may do for any reason by providing AWS notice and closing our account and which AWS may do for any reason by providing us at least 30 days’ notice or (ii) terminated for cause, which either party may do if the other party has an uncured material breach and which AWS may do immediately upon notice. Although alternative data center providers could host our business on a substantially similar basis to AWS, transitioning the cloud infrastructure currently hosted by AWS to alternative providers could potentially be disruptive, and we could incur significant one- time costs. If we are unable to renew our agreement with AWS on commercially acceptable terms, our agreement with AWS is prematurely terminated, or it adds additional infrastructure providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new data center providers. If AWS or other infrastructure providers increase the costs of their services, our business, financial condition, or results of operations could be materially and adversely affected. Any material change in our contractual and other business relationships with our partners, could result in reduced use of our systems, increased expenses, including service credit obligations, and harm to our brand and reputation, any of which could have a material adverse effect on our business, financial condition and results of operations. ~~38~~ We rely on access to high performance third party classical computing through public clouds, high performance computing centers and on- premises computing infrastructure to deliver performant quantum solutions to customers. We may not be able to maintain high quality relationships and connectivity with these resources which could make it harder for us to reach customers or deliver solutions in a cost- effective manner. Our QCS incorporates high performance classical computing through public clouds to provide services to end users and our partners. These services are predominantly on AWS. Any material change in our contractual and other business relationships with AWS or other cloud provider, could result in reduced use of our systems, increased expenses, including service credit obligations, and harm our brand and reputation, any of which could have a material adverse effect on our business, financial condition and results of operations. Further, if our contractual and other business relationships with our partners are terminated, either by the counterparty or by us, suspended or suffer a material change to which we are unable to adapt, such as the elimination of services or features on which we depend, we would be unable to provide our QCaaS business at the same scale and would experience significant delays and incur additional expense in transitioning customers to a different public cloud provider. We depend on certain suppliers to source products. Failure to maintain our relationship with any of these suppliers, or a failure to replace any of these suppliers, could have a material adverse effect on our business, financial position, results of operations and cash flows. We buy our products and supplies from suppliers that manufacture and source products from the United States and abroad. We enter into agreements with many of our suppliers that provide us with exclusive or restrictive distribution rights, limiting our competitors’ ability to source materials from such suppliers. Our ability to identify and develop relationships with qualified suppliers and enter into exclusive or restrictive distribution rights agreements with suppliers who can satisfy our standards for quality and our need to access products and supplies in a timely and efficient manner is a significant challenge. Any failure to maintain our relationship with any of our top ten largest suppliers, or a failure to replace any such supplier that is lost, could have a material adverse effect on our business, financial position, results of operations and cash flows. ~~We~~ **38** ~~We~~ may be required to replace a supplier if their products do not meet our quality or safety standards. In addition, our suppliers could discontinue selling products at any time for reasons that may or may not be in our control or the suppliers’ control, including shortages of raw materials, environmental and social supply chain issues, pandemic, labor disputes or weather conditions. Disruptions in transportation lines or the ongoing military conflict involving Russia and Ukraine **or the state of war between Israel and Hamas** may also cause global supply chain issues that affect us or our suppliers. We generally have multiple sources of supply, however, in some cases, materials are provided by a single supplier. For example, our small and mid- size cryogenic refrigerators have been provided by a single supplier and we have begun to source from a second supplier. In addition, we expect that larger cryogenic refrigerators required in connection with the potential development of systems greater than 100 qubits will be provided by a single supplier, at least for an initial period of time. We cannot assure **you** that any of our suppliers or potential suppliers will have the capacity to supply larger

cryogenic refrigerators on the terms, timing or scale that we expect. The loss of, or substantial decrease in the availability of, products from our suppliers, or the loss of a key supplier, temporarily or permanently, could result in a material shortage of products, which could lead to price escalations that we may be unable to offset by our prices to our customers. When supply chain issues are later resolved and prices return to normal levels, we may be required to reduce the prices at which we sell our products to our customers in order to remain competitive. In addition, even where these risks do not materialize, we may incur costs as we prepare contingency plans to address such risks. Our operating results and inventory levels could suffer if we are unable to promptly replace a supplier who is unwilling or unable to satisfy our requirements with a supplier providing similar products. In addition, our suppliers' ability to deliver products may also be affected by raw material and commodity cost volatility or financing constraints caused by credit market conditions, which could materially and negatively impact our net sales and operating costs, at least until alternate sources of supply are arranged. Any delay or unavailability of key products required for our development activities could delay or prevent us from further developing our systems and applications on our expected timelines or at all. ~~39~~ Additionally, our business, financial position, results of operations and cash flows could be materially and adversely affected by our inability to continue sourcing products from our suppliers. A weak or declining economy could strain our suppliers, possibly resulting in supply disruption. In addition, there is a risk that our current or future suppliers, service providers, manufacturers or other partners may not survive such difficult economic times, which could directly affect our ability to attain our operating goals on schedule and on budget. Although we seek to have alternate sources and recover increases in input costs through price increases in our products, shortages, supply chain interruptions or regulatory changes or other governmental actions could result in the need to change suppliers or incur cost increases that cannot, in the short term, or in some cases even in the long- term, be offset by our prices. We may face unknown supply chain issues that could delay the development or introduction of our products and negatively impact our business and operating results. We are reliant on third- party suppliers for components necessary to develop and manufacture our quantum computing solutions. Any of the following factors (and others) could have an adverse impact on the availability of these components: ~~•~~ ~~•~~ our inability to enter into agreements with suppliers on commercially reasonable terms, or at all; ~~•~~ ~~•~~ difficulties of suppliers ramping up their supply of materials to meet our requirements; ~~•~~ ~~•~~ a significant increase in the price of one or more components, including due to industry consolidation occurring within one or more component supplier markets or as a result of decreased production capacity at manufacturers; ~~•~~ ~~•~~ any reductions or interruption in supply, including disruptions on our global supply chain ~~as a result of the COVID-19 pandemic, which we have experienced, and may in the future experience or~~ as a result of the ongoing military conflict between Russia and Ukraine and ~~the sanctions related sanctions imposed against Russia thereto and the state of war between Israel and Hamas and the potential larger regional conflict~~ (including as a result of disruptions in global shipping, the transport of products, energy supply, cybersecurity incidents and banking systems as well as our ability to control input costs) or otherwise; ~~•~~ ~~•~~ financial problems of either manufacturers or component suppliers; ~~•~~ ~~•~~ significantly increased freight charges, raw material costs, rising electrical power costs and other expenses associated with our business; ~~•~~ ~~•~~ other factors beyond our control or which we do not presently anticipate, could also affect our suppliers' ability to deliver components to us on a timely basis; ~~•~~ ~~•~~ a failure to develop our supply chain management capabilities and recruit and retain qualified professionals; ~~•~~ ~~•~~ a failure to adequately authorize procurement of inventory by our contract manufacturers; or ~~•~~ ~~•~~ a failure to appropriately cancel, reschedule or adjust our requirements based on our business needs. If any of the aforementioned factors were to materialize, it could cause us to halt production of our quantum computing solutions and / or entail higher manufacturing costs, any of which could materially adversely affect our business, operating results, and financial condition and could materially damage customer relationships. ~~40~~ Our systems depend on the use of certain development tools, supplies, equipment and production methods. If we are unable to procure the necessary tools, supplies and equipment to build our quantum systems, or are unable to do so on a timely and cost- effective basis, and in sufficient quantities, we may incur significant costs or delays which could negatively affect our operations and business. There are limited suppliers to sources of materials which may be necessary for the production of our technology. We are currently reliant on a single or small number of suppliers for certain resources. While we are currently looking to engage additional suppliers, there is no guarantee we will be able to establish or maintain relationships with such additional suppliers on terms satisfactory to us. Reliance on any single supplier increases the risks associated with being unable to obtain the necessary components because the supplier may have manufacturing constraints, can be subject to unanticipated shutdowns and / or may be affected by natural disasters and other catastrophic events. Some of these factors may be completely out of our and our suppliers' control. Failure to acquire sufficient quantities of the necessary components in a timely or cost- effective manner could materially harm our business. Even if we are successful in developing quantum computing systems and executing our strategy, competitors in the industry may achieve technological breakthroughs which render our quantum computing systems obsolete or inferior to other products. Our continued growth and success depends on our ability to innovate and develop quantum computing technology in a timely manner and effectively market these products. Without timely innovation and development, our quantum computing solutions could be rendered obsolete or less competitive by changing customer preferences or because of the introduction of a competitor' s newer technologies. We believe that many competing technologies will require a technological breakthrough in one or more problems related to science, fundamental physics or manufacturing. While it is uncertain whether such technological breakthroughs will occur in the next several years, that does not preclude the possibility that such technological breakthroughs could eventually occur. Any technological breakthroughs which render our technology obsolete or inferior to other products, could have a material effect on our business, financial condition or results of operations. ~~We~~ ~~40~~ ~~We~~ may be unable to reduce the cost of developing our quantum computers, which may prevent us from pricing our quantum systems competitively. The success of our business is dependent upon the cost per qubit decreasing over the next several years as our quantum computers advance, which is based on achieving anticipated economies of scale related to demand for our computer systems, technological innovation and negotiations with third- party parts suppliers. If we do not achieve economies of scale or if the anticipated cost savings do not

materialize, we may be unable to achieve a lower cost per qubit, which would make our quantum computing solution less competitive than those produced by our competitors and could have a material adverse effect on our business, financial condition or results of operations. Due to macroeconomic headwinds, we have experienced and may continue to experience increased costs, including with respect to labor and products. The quantum computing industry is in its early stages and volatile, and if it does not develop, if it develops slower than we expect, if it develops in a manner that does not require use of our quantum computing solutions, if it encounters negative publicity or if our solution does not drive commercial engagement, the growth of our business will be harmed. The nascent market for quantum computers is still rapidly evolving, characterized by rapidly changing technologies, competitive pricing and competitive factors, evolving government regulation and industry standards, and changing customer demands and behaviors. If demand for quantum computers in general does not develop as expected, or develops more slowly than expected, our business, prospects, financial condition and operating results could be harmed. ~~41~~In addition, our growth and future demand for our products is highly dependent upon the adoption by developers and customers of quantum computers, as well as on our ability to demonstrate the value of quantum computing to our customers. Delays in future generations of our quantum computers or technical failures at other quantum computing companies could limit acceptance of our solution. Negative publicity concerning our solution or the quantum computing industry as a whole could limit acceptance of our solution. We believe quantum computing will solve many large- scale problems. However, such problems may never be solvable by quantum computing technology. If our clients and partners do not perceive the benefits of our solution, or if our solution does not drive member engagement, then demand for our products may not develop at all, or it may develop slower than we expect. If any of these events occur, it could have a material adverse effect on our business, financial condition or results of operations. If progress towards quantum advantage ever slows relative to expectations, it could adversely impact revenues and customer confidence to continue to pay for testing, access and “ quantum readiness. ” This would harm or even eliminate revenues in the period before quantum advantage. We could suffer disruptions, outages, defects and other performance and quality problems with our quantum computing systems, our production technology partners or with the public cloud, data centers and internet infrastructure on which we rely. Our business depends on our quantum computing systems being available. We have experienced, and may in the future further experience, disruptions, outages, defects and other performance and quality problems with our systems. We have also experienced, and may in the future further experience, disruptions, outages, defects and other performance and quality problems with the public cloud and internet infrastructure on which our systems rely. These problems can be caused by a variety of factors, including failed introductions of new functionality, vulnerabilities and defects in proprietary and open- source software, hardware components, human error or misconduct, capacity constraints, design limitations or denial of service attacks or other security- related incidents. We do not have a contractual right with our public cloud providers that compensates us for any losses due to availability interruptions in the public cloud. Any disruptions, outages, defects and other performance and quality problems with our quantum computing systems or with the public cloud and internet infrastructure on which we rely, could result in reduced use of our systems, increased expenses, including service credit obligations, and harm to our brand and reputation, any of which could have a material adverse effect on our business, financial condition and results of operations. ~~If 41f~~ we cannot successfully execute on our strategy, including in response to changing customer needs and new technologies and other market requirements, or achieve our objectives in a timely manner, our business, financial condition and results of operations could be harmed. The quantum computing market is characterized by rapid technological change, changing user requirements, uncertain product lifecycles and evolving industry standards. We believe that the pace of innovation will continue to accelerate as technology changes and different approaches to quantum computing mature on a broad range of factors, including system architecture, error correction, performance and scale, ease of programming, user experience, markets addressed, types of data processed, and data governance and regulatory compliance. Our future success depends on our ability to continue to innovate and increase customer adoption of our quantum solutions. If we are unable to enhance our quantum computing system to keep pace with these rapidly evolving customer requirements, or if new technologies emerge that are able to deliver competitive products at lower prices, more efficiently, with better functionality, more conveniently, or more securely than our platform, our business, financial condition and results of operations could be adversely affected. ~~42~~We are highly dependent on our ability to attract and retain senior executive leadership and other key employees, such as quantum physicists, software engineers and other key technical employees, which is critical to our success. If we fail to retain talented, highly qualified senior management, engineers and other key employees or attract them when needed, such failure could negatively impact our business. Our future success is highly dependent on our ability to attract and retain our executive officers, key employees and other qualified personnel. As we build our brand and become more well known, there is increased risk that competitors or other companies may seek to hire our personnel. The loss of the services provided by these individuals will adversely impact the achievement of our business strategy. These individuals could leave our employment at any time, as they are “ at will ” employees. A loss of a member of senior management, or an engineer or other key employee particularly to a competitor, could also place us at a competitive disadvantage. Effective succession planning is also important to our long- term success **and may cause disruption to our business due to, among other things, diverting management’s attention away from the operations of the business or causing a deterioration to morale**. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution. For example, our former President and Chief Executive Officer, Dr. Chad Rigetti, resigned in the fourth quarter of 2022 and ~~was~~ ~~has been~~ replaced by our current President and Chief Executive Officer, Dr. Subodh Kulkarni, following a transition period with an interim President and Chief Executive Officer. In addition, **in the first quarter of 2023,** we ~~recently~~ announced the departure of our former Chief Financial Officer, Brian Sereda, and the appointment of Jeffrey Bertelsen as our ~~new- current~~ Chief Financial Officer ~~;~~ ~~in addition to the departure of our former Chief Technology Officer, Michael Harburn, and promotion of David Rivas to such position. An inadequate transition in our management may cause disruption to our business due to, among other things, diverting management’s attention away from the~~

~~operations of the business or causing a deterioration in morale.~~ Furthermore, the reduction in workforce that we announced in February 2023 may yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, employee attrition beyond our intended reduction in force, ~~a reduction in morale among our remaining employees, greater than anticipated costs incurred in connection with implementing the restructuring,~~ and the risk that we may not achieve the benefits from the restructuring to the extent or as quickly as we anticipate, all of which may have a material adverse effect on our business, results of operations or financial condition. ~~These restructuring initiatives could place substantial demands on our management and employees, which could lead to the diversion of our management's and employees' attention from other business priorities.~~ In addition, we may discover that the workforce reduction and other restructuring efforts will make it difficult for us to pursue new opportunities and initiatives and require us to hire qualified replacement personnel, which may require us to incur additional and unanticipated costs and expenses. Our future success also depends on our continuing ability to attract, develop, motivate, and retain highly qualified and skilled employees. The market for highly skilled workers and leaders in the quantum computing industry is extremely competitive. In particular, hiring qualified personnel specializing in supply chain management, engineering and sales, as well as other technical staff and research and development personnel is critical to our business and the development of our quantum computing systems. Some of these professionals are hard to find and we may encounter significant competition in our efforts to hire them. Many of the other companies with which we compete for qualified personnel have greater financial and other resources than we do. The effective operation of our supply chain, including the acquisition of critical components and materials, the development of our quantum computing technologies, the commercialization of our quantum computing technologies and the effective operation of our managerial and operating systems all depend upon our ability to attract, train and retain qualified personnel in the aforementioned specialties. **42** **Additionally**, changes in immigration and work permit laws and regulations or the administration or interpretation of such laws or regulations could impair our ability to attract and retain highly qualified employees. If we cannot attract, train and retain qualified personnel in this competitive environment, we may experience delays in the development of our quantum computing technologies and be otherwise unable to develop and grow our business as projected, or even at all. **43** Our future growth and success depends on our ability to sell effectively to government entities and large enterprises. Our potential customers tend to be government agencies and large enterprises. Therefore, our future success will depend on our ability to effectively sell our products to such customers. Sales to these end- customers involve risks that may not be present (or that are present to a lesser extent) with sales to non- governmental agencies or smaller customers. These risks include, but are not limited to, (i) increased purchasing power and leverage held by such customers in negotiating contractual arrangements with us and (ii) longer sales cycles and the associated risk that substantial time and resources may be spent on a potential end- customer that elects not to purchase our solutions. Sales to government agencies are typically under fixed fee development contracts, which involve additional risks. See “- If our cost and time estimates for fixed fee arrangements do not accurately anticipate the cost of servicing those arrangements, we could experience losses on these arrangements or our profitability could be reduced.” In addition, government contracts generally include the ability of government agencies to terminate early which, if exercised, would result in a lower contract value and lower than anticipated revenues generated by such arrangement. See “-Contracts with U. S. government entities subject us to risks including early termination, audits, investigations, sanctions and penalties.” Government agencies and large organizations often undertake a significant evaluation process that results in a lengthy sales cycle. Our contracts with government agencies are typically structured in phases, with each phase subject to satisfaction of certain conditions. As a result, the actual scope of work performed pursuant to any such contracts, in addition to related contract revenue, could be less than total contract value. In addition, product purchases by such organizations are frequently subject to budget constraints, multiple approvals and unanticipated administrative, processing and other delays. Finally, these organizations typically have longer implementation cycles, require greater product functionality and scalability, require a broader range of services, demand that vendors take on a larger share of risks, require acceptance provisions that can lead to a delay in revenue recognition and expect greater payment flexibility. All of these factors can add further risk to business conducted with these potential customers and could lead to lower revenue results than originally anticipated. We may not be able to accurately estimate the future supply and demand for our quantum computers, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience delays. It is difficult to predict our future revenues and appropriately budget for our expenses, and we may have limited insight into trends that may emerge and affect our business. We anticipate being required to provide forecasts of our demand to our current and future suppliers prior to the scheduled delivery of products to potential customers. Currently, there is no historical basis for making judgments on the demand for our quantum computers or our ability to develop, manufacture, and deliver quantum computers, or our profitability, if any, in the future. If we overestimate our requirements, our suppliers may have excess inventory, which indirectly would increase our costs. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt manufacturing of our products and result in delays in shipments and revenues. In addition, lead times for materials and components that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. If we fail to order sufficient quantities of product components in a timely manner, the delivery of quantum computers and related compute time to our potential customers could be delayed, which would harm our business, financial condition and operating results. **Because our success depends, in part..... outside of the United States. Our **43**Our limited experience in operating our business internationally..... one or more jurisdictions.** **46** Our quantum computing systems may not be compatible with some or all industry- standard software and hardware in the future, which could harm our business. We have focused our efforts on creating quantum computing hardware, the operating system for such hardware, a suite of low- level software programs that optimize execution of quantum algorithms on our hardware, application programing interfaces (“ APIs ”) to access our systems, software development kits (“ SDKs ”) for system and application developers, and quantum programming

languages for low- and high- level application developers. The industry is rapidly evolving, and customers have many choices for programming languages, application libraries, APIs, and SDKs, some of which may not be compatible with our own languages, APIs or SDKs. Our quantum computing solutions are designed today to be compatible with most major quantum software development kits, including Qiskit, Cirq, and Open QASM, all of which are open source. If a proprietary (not open source) software toolset became the standard for quantum application development in the future by a competitor, usage of our hardware might be limited as a result which would have a negative impact on the Company. Similarly, if a piece of hardware became a necessary component for quantum computing (for instance, quantum networking) and we cannot integrate with it, the result might have a negative impact on the Company. If our customers are unable to achieve compatibility between other software and hardware and our hardware, it could impact our relationships with such customers or with customers, generally, if the incompatibility is more widespread. In addition, the mere announcement of an incompatibility problem relating to our products with higher level software tools could cause us to suffer reputational harm and / or lead to a loss of customers. Any adverse impacts from the incompatibility of our quantum computing solutions could adversely affect our business, operating results and financial condition. **If we are unable to maintain our current strategic partnerships or we are unable to develop future collaborative partnerships, our future growth and development could be negatively impacted.** We **rely on our current collaborative partners and third parties and** may rely heavily on future collaborative partners and third parties to develop key, relevant algorithms and programming to make our quantum systems commercially viable. We have entered into, and may enter into, strategic partnerships to develop and commercialize our current and future research and development programs with other companies to accomplish one or more of the following: • obtain expertise; • obtain sales and marketing services or support; • obtain equipment and facilities; • develop relationships with potential future customers; and • generate revenue. We may not be successful in establishing or maintaining suitable partnerships, and we may not be able to negotiate collaboration agreements having terms satisfactory to the Company, or at all. Failure to make or maintain these arrangements or a delay or failure in a collaborative partner's performance under any such arrangements could harm our business and financial condition. **If** our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences, which may adversely affect our business. In the ordinary course of our business, we and the third parties upon which we rely, **collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process),** proprietary, confidential, and sensitive data, including personal data, intellectual property, **controlled unclassified information** and trade secrets (collectively, sensitive information). Cyber- attacks, malicious internet- based activity, online and offline fraud, denial- of- service attacks, ransomware attacks, business email compromises, computer malware, viruses, and social engineering (including **through deep fakes, which may be increasingly more difficult to identify as fake, and** phishing attacks) and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent in the technology industry and our customers' industries and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation- state- supported actors. The techniques may be used to sabotage or to obtain unauthorized access to our platform, systems, networks, or physical facilities where our quantum computers are stored, and we may be unable to implement adequate preventative measures or stop security breaches while they are occurring. U. S. law enforcement agencies have indicated to us that quantum computing technology is of particular interest to certain malicious cyber threat actors. In addition, our cybersecurity risk could be increased as a result of the ongoing military conflict between Russia and Ukraine and the related sanctions imposed against Russia. Some actors now engage and are expected to continue to engage in cyber- attacks, including without limitation nation- state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties upon which we rely, may be vulnerable to a heightened risk of these attacks, including retaliatory cyber- attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services. We and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social- engineering attacks (including through **deep fakes, which may be increasingly more difficult to identify as fake, and** phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial- of- service attacks (such as credential stuffing), credential harvesting, personnel misconduct or error, ransomware attacks, supply- chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. **We Remote work has become more common and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations. In addition, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.** ⁴⁵We rely on third- party service providers and technologies to operate critical business systems to process sensitive

information in a variety of contexts. Our platform is built to be accessed through third- party public cloud providers such as AWS. These providers may also experience breaches and attacks to their products which may impact our systems. Data security breaches may also result from non- technical means, such as actions by an employee with access to our systems. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third- party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third- party service providers fail to satisfy their privacy or security- related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. ~~Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our platform / products / services.~~ We may expend significant resources or modify our business activities to try to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures or industry- standard or reasonable security measures to protect our information technology systems and sensitive information. While we and our third- party cloud providers have implemented security measures designed to protect against security breaches, **can be of no assurance that these measures will be effective and** these measures could fail or may be insufficient, resulting in the unauthorized disclosure, modification, misuse, destruction, or loss of sensitive or confidential information. We take steps **designed** to detect, **mitigate**, and remediate vulnerabilities, **in our information systems (such as our hardware and / or software, including that of third parties upon which we rely)**, but we may not be able to detect and remediate all vulnerabilities **on a timely basis** because the threats and techniques used to exploit the vulnerability change frequently and are often sophisticated in nature. Therefore, such vulnerabilities could be exploited but may not be detected until 48- after a security incident has occurred. ~~These~~ **Any unremediated** vulnerabilities pose material risks to our business. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities. ~~Applicable~~ **Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our platform, products, and services. Certain** data privacy and security obligations may require us to **implement and maintain specific security measures or industry- standard or reasonable security measures to protect our information technology systems and sensitive information. In addition, applicable data privacy and security obligations may require us to** notify relevant stakeholders, **including affected individuals, customers, regulators, and investors** of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. Actual or perceived breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about the Company, our partners, our customers or third parties could expose us and the parties affected to a risk of loss or misuse of this information, resulting in litigation and potential liability, paying damages, regulatory inquiries or actions, damage to our brand and reputation or other harm to our business. Our efforts to prevent and overcome these challenges could increase our expenses and may not be successful. If we fail to detect or remediate a security breach in a timely manner, or a breach otherwise affects our customers, or if we suffer a cyber- attack that impacts our ability to operate our platform, we may experience adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and / or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; material damage to our reputation; monetary fund diversions; **diversions of management attention;** interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may cause customers to stop using our services, deter new customers from using our services, and negatively impact our ability to grow and operate our business. ~~Our~~ **46Our** contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Unfavorable conditions in our industry or the global economy, could limit our ability to grow our business and negatively affect our results of operations. Our results of operations have varied and may continue to vary based on the impact of changes in our industry or the global economy on us or our customers and potential customers. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, international trade relations, pandemics (~~such as the COVID-19 pandemic~~), political turmoil, natural catastrophes, warfare, and terrorist attacks on the United States or elsewhere, could cause a decrease in business investments, including the progress on development of quantum technologies, and negatively affect the growth of our business. In addition, in challenging economic times, our current or potential future customers may experience cash flow problems and as a result may modify, delay or cancel plans to purchase our products and services. Additionally, if our customers are not successful in generating sufficient revenue or are unable to secure financing, they may not be able to pay, or may delay payment of, accounts receivable due to it. Moreover, our key suppliers may reduce their output or become insolvent,

thereby adversely impacting our ability to manufacture our products. Furthermore, uncertain economic conditions may make it more difficult for us to raise funds through borrowings or private or public sales of debt or equity securities. We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry.

49-Government actions and regulations, such as tariffs and trade protection measures, may limit our ability to obtain products from our suppliers or sell our products and services to customers. Political challenges between the United States and countries in which our suppliers are located, and changes to trade policies, including tariff rates and customs duties, trade relations between the United States and those countries and other macroeconomic issues could adversely impact our business. The United States administration has announced tariffs on certain products imported into the United States, and some countries have imposed tariffs in response to the actions of the United States. There is also a possibility of future tariffs, trade protection measures or other restrictions imposed on our products or on our customers by the United States or other countries that could have a material adverse effect on our business. Our technology may be deemed a matter of national security and as such our customer base may be tightly restricted. We may accept government grants that place restrictions on the business' ability to operate. Unstable market and economic conditions have had and may continue to have serious adverse consequences on our business, financial condition and share price. The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, increases in inflation rates, higher interest rates, bank failures and uncertainty about economic stability. For example, recent bank failures have resulted in volatility in the capital markets. Similarly, the ongoing military conflict between Russia and Ukraine ~~has~~, and the war between Israel and Hamas, have created extreme volatility in the global capital markets and is expected to have further global economic consequences, including disruptions of the global supply chain and energy markets. Any volatility and disruptions may have adverse consequences on us or the third parties on whom we rely. If general economic conditions were to deteriorate or remain uncertain for an extended period ~~of time~~, our liquidity and ability to repay our outstanding debt may be harmed and the trading price of our Common Stock could decline. A Significant ~~significant~~ decline of stock price has caused, and may cause in the future, a triggering event for impairment testing of fair-valued assets, including goodwill and other long-lived assets. For ~~47~~For example, in assessing our goodwill in connection with the preparation of the financial statements for the fourth quarter and fiscal year ended December 31, 2022, we concluded indicators of impairment were present due to the current macroeconomic conditions, including continued declines in our stock price. Based upon the results of the impairment test, we recorded a goodwill impairment charge of \$ 5. 4 million within the consolidated statement of operations for the twelve months ended December 31, 2022. If the equity and credit markets ~~further~~ deteriorate, including as a result of political unrest or war, it may make any necessary ~~debt or equity~~ financing more difficult to obtain in a timely manner or on favorable terms, more costly or more dilutive, and we could be forced to delay, reduce or eliminate our research and development programs and other efforts. Increased inflation rates have and are expected to adversely affect us by increasing our costs, including labor and employee benefit costs, and costs for equipment and system components associated with system development. In addition, higher inflation could also increase our customers' operating costs, which could result in reduced budgets for our customers and potentially less demand for our systems. Any significant increases in inflation and related increase in interest rates could have a material adverse effect on our business, results of operations and financial condition. ~~If On March 10, 2023, the California Department of Financial Protection and Innovation closed Silicon Valley Bank ("SVB") and appointed Federal Deposit Insurance Corporation (the "FDIC") receiver. On March 12, 2023, the Department of the Treasury, the Federal Reserve, and the FDIC jointly released a statement that depositors at SVB and Signature Bank would have access to their funds, even those in excess of the standard FDIC insurance limits, under a systemic risk exception. As of March 14, 2023, we had approximately \$ 1. 0 million of cash with SVB, our sole depositor. We are making arrangements to open accounts with a new financial institution and could experience disruption with customer receivables and vendor payments during the transition process. The majority of our other cash, cash equivalents and investments, consisting of a variety of short-term and high-credit treasury and corporate bonds and other liquid investments, is held in custodial accounts with U. S. Bank for which SVB Asset Management is the advisor. Despite our proactive measures and the measures taken by the United States federal government, there is great uncertainty in the markets regarding the stability of regional banks and 50 the safety of deposits in excess of the FDIC insured deposit limits. The ultimate outcome of these events, and whether further regulatory actions will be taken, cannot be predicted. These events may have a material adverse effect on our liquidity and financial condition if our ability to access funds at SVB and our ability to transfer our other cash, cash equivalents and investments to other financial institutions are impaired. In addition, if in the future a financial institution in which we hold funds fails or is subject to significant adverse conditions in the financial or credit markets, we could be subject to a risk of loss of all or a portion of such uninsured funds or be subject to a delay in accessing all or a portion of such uninsured funds. Any such loss or lack of access to these funds could adversely impact our short-term liquidity and ability to meet our operating expense obligations. Further, these events may make ~~equity or debt~~ financing ~~financings~~ more difficult to obtain, and additional ~~equity or debt~~ financing might not be available on reasonable terms, if at all; difficulties obtaining ~~equity or debt~~ financing could have a material adverse effect on our financial condition, as well as our ability to continue to grow our operations. If our cost and time estimates for fixed fee arrangements do not accurately anticipate the cost of servicing those arrangements, we could experience losses on these arrangements and our profitability could be reduced. Our development contracts are typically fixed fee arrangements invoiced on a milestone basis. If we underestimate the amount of effort required to deliver on a contract and / or the period of time required to achieve the milestone, our profitability could be reduced. If the actual costs of completing the contract exceed the agreed upon fixed price, we would incur a loss on the arrangement. We have identified material weaknesses in our internal control over financial reporting related to the lack of effective review controls over the accounting for complex financial instruments and to the design and operation of our overall closing and financial reporting processes, and we may identify additional material weaknesses in the future. The material~~

weakness over accounting for complex financial instruments has resulted in errors in financial statements for prior periods. If we fail to remediate such material weaknesses, if we identify additional material weaknesses or if we otherwise fail to establish and maintain effective control over financial reporting, it may adversely affect our ability to accurately and timely report our financial results in the future, and may adversely affect investor confidence, our reputation, our ability to raise additional capital and our business operations and financial condition. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. As previously disclosed, in connection with our unaudited condensed consolidated financial statements for the nine months ended October 31, 2021, we identified a material weakness in our internal control over financial reporting related to the lack of effective review controls over the accounting for complex financial instruments. Specifically, the controls failed to identify an error in the accounting for complex warrant instruments. The error related to the Company not properly accounting for the liability associated with the warrants to purchase common stock issued to Trinity Capital Inc. that was subsequently cancelled and reissued for a new warrant in connection with an amendment to the Loan Agreement. ~~In 48~~In addition, in connection with the preparation of the financial statements for the second quarter of 2022, we also identified and corrected an immaterial error related to the revaluation of the liability associated with the same warrants issued to Trinity Capital. The error was made in the previously issued unaudited condensed consolidated financial statements as of and for the period ended March 31, 2022. We corrected the immaterial error in our condensed consolidated financial statements as of and for the period ended June 30, 2022 and restated our financial statements for the quarters ended March 31, 2022 and June 30, 2022 as described below, and reversed such prior correction and instead reflected such correction in the restated financial statements for the quarter ended March 31, 2022. ~~51~~In connection with the preparation of the financial statements for the third quarter of 2022, we discovered that the previously identified material weakness led to additional material errors related to the valuation of the Earn- out ~~liability~~ **liabilities** and the Private Warrant liability that affected the previously issued unaudited condensed consolidated financial statements as of and for the periods ended March 31, 2022 and June 30, 2022. These errors were corrected in the unaudited condensed consolidated financial statements as of and for the periods ended March 31, 2022 and June 30, 2022 through a restatement of previously filed financial statements for such periods. Our management previously concluded that this material weakness in our internal control over financial reporting was due to the fact that at the time we initially identified the material weakness, we did not have sufficient accounting resources and did not have the necessary business processes and related internal controls formally designed and implemented to address the accounting and financial reporting requirements related to these complex instruments. This material weakness continued to exist as of December 31, 2022 ~~2023 because~~ due to the **controls** reasons described above and due to the shorter period of time that **were implemented** has ~~as part~~ elapsed since the identification of **our plan** the additional errors in prior periods related to the **remediate this** material weakness discussed above **have not been operating for a sufficient period of time to allow management to conclude through testing that the controls are effective**. Additionally, in connection with the preparation of the financial statements for the year ended December 31, 2022 ~~appearing elsewhere in this Annual Report on Form 10-K~~, we identified a material weakness in our internal control over financial reporting related to the design and operation of our overall closing and financial reporting processes, including the timely preparation of account reconciliations, effective segregation of duties, **particularly with respect to IT systems** and a lack of timely review over the financial statement close process. We ~~have~~ concluded that this material weakness is due to the fact that, between the date the ~~company~~ **Company** went public pursuant to the Business Combination and December 31, 2022, the ~~company~~ **Company** had limited resources and did not have the necessary business processes and related internal controls formally designed and implemented coupled with the appropriate resources with the appropriate level of experience and technical expertise to oversee our closing and financial reporting processes. **This material weakness continued to exist** As a result of the foregoing, management concluded that our disclosure controls and procedures were not effective at the reasonable assurance level as of the end of the quarterly periods ended March 31, 2022, June 30, 2022, September 30, 2022 and December 31, 2022 ~~2023 because~~. Our management is in the **necessary controls** process of undertaking a remediation plan and is taking steps to remediate the material weaknesses **have only been partially implemented and have not yet been sufficiently tested**. The material weaknesses will not be considered remediated until such time as management designs and implements effective controls that operate for a sufficient period of time and concludes ~~through testing~~, that these controls are effective. Our management will continue to monitor the effectiveness of our remediation plan and will make the changes it determines to be appropriate. Although we intend to complete this remediation process as quickly as practicable, we cannot at this time estimate how long it will take, and our initiatives may not prove to be successful in remediating the material weaknesses. Furthermore, we cannot ensure that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate in a timely manner or at all the control deficiencies that led to our material weaknesses in our internal controls over financial reporting or that they will prevent or avoid potential future material weaknesses due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if we are successful in strengthening our controls and procedures, in the future these controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our financial statements. ~~Any 49~~Any failure to remediate the material weaknesses or otherwise develop or maintain effective controls or any difficulties encountered in their implementation or improvement could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in additional material misstatements of our annual or interim financial statements. In such ~~a~~ case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to the listing requirements of the Nasdaq. ~~For example, in connection with the identification of the material weakness related to the lack of effective review controls over the accounting for complex financial instruments as described above, we were unable to file our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 by the deadline prescribed by the SEC and, as a result, we are not eligible to utilize a~~

~~Form S-3 registration statement.~~In addition, we could be ~~52~~ subject to sanctions or investigations by the SEC, the Nasdaq Stock Market or other regulatory authorities as well as shareholder litigation which would require additional financial and management resources, and investors may lose confidence in our financial reporting and our stock price may decline as a result. ~~Further, B. Riley has the right to terminate the Purchase Agreement under specified circumstances, including if the related registration statement is unavailable for a specified period of time, including as a result of errors or missing information in our SEC filings. If we fail to make timely and complete filings with the SEC in the future, B. Riley may terminate the Purchase Agreement under specified circumstances.~~As a result, our ability to obtain any additional financing, or additional financing on favorable terms, could be materially and adversely affected, which in turn, could materially and adversely affect our business, financial condition and the market value of our common stock and require us to incur additional costs to improve our internal control systems and procedures. In addition, perceptions of the Company among customers, suppliers, lenders, investors, securities analysts and others could also be adversely affected. ~~We have been, and may in the future be, adversely affected by the global COVID-19 pandemic, its various strains or future pandemics. We face various risks related to epidemics, pandemics, and other outbreaks, including the recent COVID-19 pandemic, including newly discovered strains of the virus. In response to the COVID-19 pandemic, governments have implemented significant measures, including, but not limited to, business closures, quarantines, travel restrictions, shelter-in-place, stay-at-home and other social distancing directives, intended to control the spread of the virus. Companies have also taken precautions, such as requiring employees to work remotely, imposing travel restrictions and temporarily closing businesses. To the extent that these restrictions remain in place, additional prevention and mitigation measures are implemented in the future, or there is uncertainty about the effectiveness of these or any other measures to contain or treat COVID-19 or future pandemics, there is likely to be an adverse impact on our potential customers, our employees and global economic conditions, and consumer confidence and spending, which could materially and adversely affect our operations and demand for our products. The spread of COVID-19 has and may continue to impact our suppliers by disrupting the manufacturing, delivery and the overall supply chain of parts required to manufacture our quantum computers. In addition, various aspects of our business cannot be conducted remotely, such as the fabrication of quantum processors and the assembly of our quantum computers. Future measures by government authorities may remain in place for a significant period of time and they are likely to adversely affect our future manufacturing plans, sales and marketing activities, business and results of operations. We may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, suppliers, vendors and business partners. Due to the fluid nature of the COVID-19 pandemic, uncertainties regarding the related economic impact are likely to result in sustained market turmoil, which could also negatively impact our business, financial condition and cash flows. During 2020, we scaled back our recruiting efforts to control costs and experienced weeklong onsite work stoppages due to quarantining related to the COVID-19 pandemic. The extent of COVID-19's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on our business. However, if the pandemic continues to persist as a severe worldwide health crisis, the disease could negatively impact our business, financial condition results of operations and cash flows, and may also have the effect of heightening many of the other risks described in this "Risk Factors" section. Even after the COVID-19 pandemic has subsided, we may continue to experience an adverse impact to our business as a result of COVID-19's global economic impact, including any recession that has occurred or may occur in the future.~~53 Our facilities or operations could be damaged or adversely affected as a result of prolonged power outages, natural disasters and other catastrophic events. Our facilities or operations could be adversely affected by power outages as well as events outside of our control, such as natural disasters and other calamities. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss resulting from such natural disasters, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause delays in development and fabrication, the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide services. A significant power outage may disrupt our operations and could have a material adverse impact on our business, financial condition, results of operations and cash flows.

Further, Risks Related to Our International Expansion Because our success depends, in part, on our ability to expand sales internationally, our business will be susceptible to risks associated with international operations. We currently maintain offices and have sales personnel in the United States, British National Grid recently warned that the United Kingdom, Australia and Canada. In the year years ended December 31, 2022-2023 and the eleven months ended December 31, 2021-2022, our non- U.S. revenue was approximately 7.6 % and 15.0 % and 28.9% of our total revenue, respectively. Depending on customer opportunities and our ability to access quantum engineering talent, we may continue to expand our international operations, which may include opening offices in new jurisdictions. Any additional international expansion efforts that we are undertaking and may undertake may not be successful. In addition, conducting international operations subjects us to new risks, some of which we have not generally faced in the United States or other countries where we or other countries where we currently operate. These risks include, among other things: • unexpected costs and errors in the localization of our platform and solutions, including translation into foreign languages and adaptation for local culture, practices and regulatory requirements; • lack of familiarity and burdens of complying with foreign laws, legal standards, privacy and cybersecurity standards, regulatory requirements, foreign export control rules, tariffs and other barriers, and the risk of penalties to our customers and individual members of management or employees if our practices are deemed to not be in compliance; • practical difficulties of enforcing intellectual property rights in countries with varying laws and standards and reduced or varied protection for intellectual property rights in some countries; • an evolving legal framework and additional legal or regulatory requirements for data privacy and cybersecurity, which may necessitate the establishment of systems to maintain data in local markets, requiring us to

invest in additional data centers and network infrastructure, and the implementation of additional employee data privacy documentation (including locally-compliant data privacy notice and policies), all of which may involve substantial expense and may cause us to need to divert resources from other aspects of our business, all of which may adversely affect our business; • unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions; • difficulties in managing systems integrators and technology partners; • differing technology standards; • different pricing environments, longer sales cycles, longer accounts receivable payment cycles and difficulties in collecting accounts receivable; • increased financial accounting and reporting burdens and complexities; • difficulties in managing and staffing international operations including the proper classification of independent contractors and other contingent workers, differing employer / employee relationships and local employment laws; • increased costs involved with recruiting and retaining an expanded employee population outside the United States through cash and equity-based incentive programs and unexpected legal costs and regulatory restrictions in issuing our shares to employees outside the United States; • global political and regulatory changes that may lead to restrictions on immigration and travel for our employees; • fluctuations in exchange rates that may decrease the value of foreign-based revenue; • potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems, restrictions on the repatriation of earnings, and transfer pricing requirements; and • permanent establishment risks and complexities in connection with international payroll, tax and social security requirements for international employees. Additionally, operating in international markets also requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required in establishing operations in other countries will produce desired levels of revenue or profitability. Compliance with laws and regulations applicable to our global operations also substantially increases our the cost of doing business in foreign jurisdictions. We have significant limited experience in marketing, selling and supporting our platform outside of the United States. Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If we invest substantial time and resources to expand our international operations ; could face planned power cuts to homes and are businesses throughout the winter of 2022 and 2023 if the country is unable to do so successfully import electricity from Europe and in it struggles to attract enough gas imports to fuel its gas-fired power plants. A significant power outage could have a timely manner, material adverse impact on our business, financial condition, revenues, results of operations and/or cash flows will suffer. Risks Related to Litigation and Government Regulation We our business, financial condition, revenues, results of operations or cash flows will suffer. We may be unable to keep current with changes in government requirements as they change from time to time. Failure to comply with these regulations could harm our business. In many countries, it is common for others to 45 engage in business practices that are prohibited by our internal policies and procedures or other regulations applicable to us. Although we have implemented policies and procedures designed to ensure compliance with these laws and policies, there can be no assurance that all of our employees, contractors, partners and agents will comply with these laws and policies. Violations 51 Violations of laws or key control policies by our employees, contractors, partners or agents could result in delays in revenue recognition, financial reporting misstatements, enforcement actions, reputational harm, disgorgement of profits, fines, civil and criminal penalties, damages, injunctions, other collateral consequences or the prohibition of the importation or exportation of our solutions and could harm our business, financial condition, revenues, results of operations or cash flows. Our international sales and operations subject us to additional risks and costs, including the ability to engage with customers in new geographies, exposure to foreign currency exchange rate fluctuations, that can adversely affect our business, financial condition, revenues, results of operations or cash flows. We derive a significant portion of revenue from our customers in the United States. We may expand our international operations if we are able to achieve narrow or broad quantum advantage. However, there are a variety of risks and costs associated with our international sales and operations, which may include making additional investments prior to the proven adoption of our solutions, the cost of conducting our business internationally and hiring and training international employees and the costs associated with complying with local law. Furthermore, we cannot predict the rate at which our platform and solutions will be accepted in international markets by potential customers. We currently have sales, customer support and engineering personnel outside the United States in the United Kingdom, Australia and Canada, and have established an entity in Germany; however, our sales, support and engineering organization outside the United States is smaller than our U.S. sales organization. We believe our ability to attract new customers to purchase our QPUs or subscribe to our platform, or to attract existing customers to expand their purchase of our QPUs or to renew or expand their use of our platform is directly correlated to the level of engagement we obtain with the customer. To the extent we are unable to effectively engage with non-U.S. customers due to our limited sales force capacity, we may be unable to effectively grow in international markets. Given our international presence, we are exposed to the effects of fluctuations in currency exchange rates. While we have primarily transacted with customers in U.S. dollars, we expect to continue to generate some revenues, denominated in foreign currencies. Additionally, fluctuations in the value of the U.S. dollar and foreign currencies may make our QPUs or subscriptions more expensive for international customers, which could harm our business. Additionally, we incur expenses for employee compensation and other operating expenses at our non-U.S. locations in the local currency for such locations. Fluctuations in the exchange rates between the U.S. dollar and other currencies could result in an increase to the U.S. dollar equivalent of such expenses. These fluctuations could cause our results of operations to differ from our expectations or the expectations of our investors. Additionally, such foreign currency exchange rate fluctuations could make it more difficult to detect underlying trends in our business and results of operations. Our international operations may subject us to greater than anticipated tax liabilities. The amount of taxes we pay in different jurisdictions depends on the application of the tax laws of various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our

methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency. Similarly, a taxing authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a “permanent establishment” under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions.

52 Risks Related to Litigation and Government Regulation

We are subject to stringent and evolving U. S. state, federal and foreign laws and regulations, and rules, contractual obligations, industry standards, policies and other obligations related to privacy, data use and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and otherwise could adversely affect us and our business. In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, “processing” or “process”) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, and intellectual property. We are, therefore, subject to numerous data privacy and security obligations, such as state and federal laws and regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations related to privacy, data use and security. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). In addition, the past few years, several numerous U. S. states — including California, Virginia, Colorado, Connecticut, and Utah — have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our security breach legislation requiring varying levels of consumer notification in the event of a security breach business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act amended by the California Privacy Rights Act of 2020 (“CCPA”), applies to personal information data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and grants consumers resident in California new honor requests of such individuals to exercise certain privacy rights with respect to the collection of their personal data. The CCPA provides for fines civil penalties of up to \$ 7, 500 per intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages. In addition, the California Privacy Rights Act of 2020 (“CPRA”) expands the CCPA’s requirements, including by adding a new right for individuals to correct their personal information and establishing a new regulatory agency to implement and enforce the law. Several other states such as Virginia and Colorado, have also passed comprehensive privacy laws, and similar Similar laws are being considered in several other states, as well as at the federal and local levels. These developments further complicate compliance efforts, and increase legal risk and compliance costs for us, and the third parties upon whom we rely. Outside of the United States, foreign governments are raising similar privacy and data security concerns. In particular, the United Kingdom’s GDPR (“UK GDPR”) imposes strict requirements for processing personal data. For example, under the UK GDPR, companies may face temporary or definitive bans on data processing and 54 other corrective actions; fines of up to 17. 5 million pounds or 4 % of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. In Canada, the Personal Information Protection and Electronic Documents Act (“PIPEDA”) and various related provincial laws, as well as Canada’s Anti-Spam Legislation (“CASL”), may apply to our operations. In the ordinary course of business, we may transfer personal data from the United Kingdom (UK), Canada, Australia and other jurisdictions to the United States or other countries. The UK and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the UK has significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the UK to the United States in compliance with law, such as the UK’s international data transfer addendum, these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If 53 If there is no lawful manner for us to transfer personal data from the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the UK GDPR and CCPA, require our customers to impose specific contractual restrictions on their service providers. We

publish privacy policies, marketing materials and other statements, such as compliance with certain certifications or self-regulatory principles, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences. Obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. In addition, these obligations may require us to change our business model. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on whom we rely may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class- action claims); additional reporting requirements and / or oversight; bans on processing personal data; orders to destroy or not use personal data; and imprisonment of company officials. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations; interruptions or stoppages of data collection needed to train our algorithms; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations.

55—Contracts with U. S. government entities subject us to risks including early termination, audits, investigations, sanctions and penalties. We have several contracts with various government entities, including contracts with NASA, the Defense Advanced Research Project Agency, and the Department of Energy, among others, and we may enter into additional contracts with U. S. government entities in the future, which subjects our business to statutes and regulations applicable to companies doing business with the government, including the Federal Acquisition Regulation. These government contracts customarily contain provisions that give the government substantial rights and remedies, many of which are not typically found in commercial contracts and which are unfavorable to contractors. For instance, most U. S. government agencies include provisions that allow the government to unilaterally terminate or modify contracts for convenience, and in that event, the counterparty to the contract may generally recover only its incurred or committed costs and settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, the defaulting party may be liable for any extra costs incurred by the government in procuring undelivered items from another source.

54In addition, government contracts normally contain additional requirements that may increase our costs of doing business, reduce our profits, and expose us to liability for failure to comply with these terms and conditions. These requirements include, for example: **54** specialized disclosure and accounting requirements unique to government contracts; **54** financial and compliance audits that may result in potential liability for price adjustments, recoupment of government funds after such funds have been spent, civil and criminal penalties, or administrative sanctions such as suspension or debarment from doing business with the U. S. government; **54** public disclosures of certain contract and company information; and **54** mandatory socioeconomic compliance requirements, including labor requirements, non- discrimination and affirmative action programs and environmental compliance requirements. Government contracts are also generally subject to greater scrutiny by the government, which can initiate reviews, audits and investigations regarding our compliance with government contract requirements. In addition, if we fail to comply with government contracting laws, regulations and contract requirements, our contracts may be subject to termination, and we may be subject to financial and / or other liability under our contracts, the Federal Civil False Claims Act (including treble damages and other penalties), or criminal law. In particular, the False Claims Act’ s “ whistleblower ” provisions also allow private individuals, including present and former employees, to sue on behalf of the U. S. government. Any penalties, damages, fines or suspension could adversely affect our ability to operate our business and our financial results. We are subject to U. S. and foreign anti- corruption, anti- bribery and similar laws, and non- compliance with such laws can subject us to criminal or civil liability and harm our business. We are subject to the U. S. Foreign Corrupt Practices Act of 1977, as amended, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, and other anti- bribery, and anti- corruption laws in countries in which we conduct activities. Anti- corruption and anti- bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, and their third- party intermediaries from authorizing, promising, offering, providing, soliciting, or accepting, directly or indirectly, improper payments or benefits to or from any person whether in the public or private sector. We may engage with partners and third- party intermediaries to market our services and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third- party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third- party intermediaries, and of our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. We cannot provide any assurance that all of our employees and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible.

56—Detecting, investigating, and resolving actual or alleged violations of anti- corruption laws can require a significant diversion of time, resources, and attention from senior management. In addition, noncompliance with anti- corruption or anti- bribery laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties, injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage, and other collateral consequences. **55**We are subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in

compliance with applicable laws. Our products and technologies are subject to U. S. export control and import laws and regulations, including the U. S. Export Administration Regulations, U. S. Customs regulations, and various economic and trade sanctions regulations administered by the U. S. Treasury Department' s Office of Foreign Assets Controls. U. S. export control and economic sanctions laws include restrictions or prohibitions on the sale or supply of certain products, technologies, and services to U. S. Government embargoed or sanctioned countries, governments, persons and entities. In addition, certain products and technology may be subject to export licensing or approval requirements. Exports of our products and technology must be made in compliance with export control and sanctions laws and regulations. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges; fines, which may be imposed on us and responsible employees or managers; and, in extreme cases, the incarceration of responsible employees or managers. In addition, changes in our products or technologies or changes in applicable export or import laws and regulations may create delays in the introduction and sale of our products and technologies in international markets or, in some cases, prevent the export or import of our products and technologies to certain countries, governments or persons altogether. Any change in export or import laws and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons or technologies targeted by such laws and regulations, could also result in decreased use of our products and technologies, or in our decreased ability to export or sell our products and technologies to existing or potential customers. Any decreased use of our products and technologies or limitation on our ability to export or sell our products and technologies would likely adversely affect our business, financial condition and results of operations. We expect to incur significant costs in complying with these regulations. Regulations related to quantum computing are currently evolving and we face risks associated with changes to these regulations. Our business is exposed to risks associated with litigation, investigations and regulatory proceedings. We may in the future face legal, administrative and regulatory proceedings, claims, demands and / or investigations involving stockholder, consumer, competition and / or other issues relating to our business on a global basis. Litigation and regulatory proceedings are inherently uncertain, and adverse rulings could occur, including monetary damages, or an injunction stopping us from engaging in certain business practices, or requiring other remedies, such as compulsory licensing of patents. An unfavorable outcome or settlement may result in a material adverse impact on our business, results of operations, financial position and overall trends. In addition, regardless of the outcome, litigation can be costly, time- consuming, and disruptive to our operations. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future. In addition, the laws and regulations our business is subject to are complex and change frequently. We may be required to incur significant expense to comply with changes in, or remedy violations of, these laws and regulations. Furthermore, while we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. 57-Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of our recovery. We 56We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims. We may become subject to product liability claims, even those without merit, which could harm our business prospects, operating results, and financial condition. We may face inherent risk of exposure to claims in the event our quantum computers do not perform as expected or malfunction. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our quantum computers and business and inhibit or prevent commercialization of other future quantum computers, which would have material adverse effects on our brand, business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages either in excess of our coverage, or outside of our coverage, may have a material adverse effect on our reputation, business and financial condition. We may not be able to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, particularly if we do face liability for our products and are forced to make a claim under our policy. We are subject to requirements relating to environmental and safety regulations and environmental remediation matters which could adversely affect our business, results of operations and reputation. We are subject to numerous federal, state and local environmental laws and regulations governing, among other things, solid and hazardous waste storage, treatment and disposal, and remediation of releases of hazardous materials. There are significant capital, operating and other costs associated with compliance with these environmental laws and regulations. Environmental laws and regulations may become more stringent in the future, which could increase costs of compliance or require us to manufacture with alternative technologies and materials. Federal, state and local authorities also regulate a variety of matters, including, but not limited to, health, safety and permitting in addition to the environmental matters discussed above. New legislation and regulations may require us to make material changes to our operations, resulting in significant increases to the cost of production. Our manufacturing process will have hazards such as but not limited to hazardous materials, machines with moving parts, and high voltage and / or high current electrical systems typical of large manufacturing equipment and related safety incidents. There may be safety incidents that damage machinery or product, slow or stop production, or harm employees. Consequences may include litigation, regulation, fines, increased insurance premiums, mandates to temporarily halt production, workers' compensation claims, or other actions that impact our brand, finances, or ability to operate. Changes in tax laws or regulations that are applied adversely to us may have a material adverse effect on our business, cash flow, financial condition, or results of operations. New tax laws, statutes, rules, regulations, or ordinances could be enacted at any time. For instance, the ~~recently enacted~~ Inflation Reduction Act imposes, among other rules, a 15 % minimum tax on the book income of certain large corporations and a 1 % excise tax on certain corporate stock repurchases. Further, existing tax laws, statutes, rules, regulations, or ordinances could be interpreted differently, changed, repealed, or modified at any time. Any such enactment, interpretation, change, repeal, or modification could adversely affect us,

possibly with retroactive effect. In particular, changes in corporate tax rates, the realization of our net deferred tax assets, the taxation of foreign earnings, and the deductibility of expenses under the Tax Cuts and Jobs Act, as amended by the Coronavirus Aid, Relief, and Economic Security Act or any future tax reform legislation, could have a material impact on the value of our deferred tax assets, result in significant one-time charges, and increase our future tax expenses. ~~58 Risks~~ **57 Risks** Related to Intellectual Property ~~Property Any Our~~ failure to obtain, maintain and protect our intellectual property rights could impair our ability to protect and commercialize our proprietary products and technology and cause us to lose our competitive advantage. Our success depends, in significant part, on our ability to obtain, maintain, enforce and defend our intellectual property rights, including patents and trade secrets. We rely upon a combination of the intellectual property protections afforded by patent, copyright, trademark and trade secret laws in the United States and other jurisdictions, as well as license agreements and other contractual protections, to establish, maintain and enforce rights in our proprietary technologies. In addition, we seek to protect our intellectual property rights through nondisclosure and invention assignment agreements with our employees and consultants, and through non-disclosure agreements with business partners and other third parties. However, we may not be able to prevent unauthorized use of our intellectual property. Our trade secrets may also be compromised, which could cause us to lose our competitive advantage. Third parties may attempt to copy or otherwise obtain, use or infringe our intellectual property. Monitoring and detecting unauthorized use of our intellectual property is difficult and costly, and the steps we have taken or will take to prevent infringement or misappropriation may not be sufficient. Any enforcement efforts we undertake, including litigation, could be time-consuming and expensive and could divert management's attention, which could harm our business, results of operations, and financial condition. In addition, existing intellectual property laws and contractual remedies may afford less protection than needed to safeguard our intellectual property portfolio, and third parties may develop competitive offerings in a manner that leaves us with limited means to enforce our intellectual property rights against them. Patent, copyright, trademark and trade secret laws vary significantly throughout the world. A number of foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States. Therefore, our intellectual property rights may not be as strong or as easily enforced outside of the United States and efforts to protect against the unauthorized use of our intellectual property rights, technology and other proprietary rights may be more expensive and difficult outside of the United States. Failure to adequately protect our intellectual property rights could result in our competitors using our intellectual property to offer products, potentially resulting in the loss of some of our competitive advantage and a decrease in our revenue, which would adversely affect our business, financial condition and operating results. Our inability to secure patent protection or enforce our patent rights could have a material adverse effect on our ability to prevent others from commercializing similar products or technology. The application and registration of patents involves complex legal and factual questions. As a result, we cannot be certain that the patent applications that we file will result in patents being issued, or that our patents and any future patents that do issue will afford protection against competitors with similar technology. Numerous patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology, and this may make it difficult for us to obtain certain patent coverage on our own. Any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable. Furthermore, patent applications filed in foreign countries are subject to laws, rules and procedures that differ from those of the United States, and thus we cannot be certain that foreign patent applications related to issued U. S. patents will be issued. Even if our patent applications succeed, it is still uncertain whether these patents will be contested, circumvented, invalidated or limited in scope in the future. The rights granted under any issued patents may not provide us with meaningful protection or competitive advantages. The intellectual property rights of others could bar us from licensing and exploiting any patents that issue from our pending applications, and the claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies ~~59~~ that are similar or that achieve results similar to ours. ~~In~~ **58** In addition, patents issued to us may be infringed upon or designed around by others and others may obtain patents that it needs to license or design around, either of which would increase costs and may adversely affect our business, prospects, financial condition and operating results. We may face patent infringement and other intellectual property claims that could be costly to defend, result in injunctions and significant damage awards, or limit our ability to use certain key technologies in the future, all of which could harm our business. Our success depends, in part, on our ability to develop and commercialize our products, services and technologies without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our products, services or technologies are infringing, misappropriating or otherwise violating third-party intellectual property rights and such third parties may bring claims alleging such infringement, misappropriation or violation. For example, there may be issued patents of which we are unaware, held by third parties that, if found to be valid and enforceable, could be alleged to be infringed by our current or future products, services or technologies. Also, because patent applications can take years to issue and are often afforded confidentiality for some period of time, there may currently be pending applications, unknown to us, that later result in issued patents that could cover our current or future products, services or technologies. The strength of our defenses will depend on the rights asserted, the interpretation of these rights, and our ability to invalidate the asserted rights. However, we could be unsuccessful in advancing non-infringement and / or invalidity arguments in our defense. Companies that have developed and are developing technology are often required to defend against litigation claims based on allegations of infringement, misappropriation or other violations of intellectual property rights. Our products, services or technologies may not be able to withstand third-party claims against their use. In addition, as compared to us, many companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. If a third party is able to obtain an injunction preventing us from using or accessing such third-party intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we may be forced to limit or stop sales of our products, services or technologies or cease business activities related to such intellectual property. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be

adequate to indemnify us for all liability that may be imposed. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results. Further, there could be public announcements of the intellectual property litigation, and if securities analysts, investors or others perceive the potential impact to be negative or risks to be substantial, it could have an adverse effect on the price of our Common Stock. Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, regardless of the merit of the claim or our defenses, may require us to do one or more of the following: cease selling or using solutions or services that incorporate the intellectual property rights that allegedly infringe, misappropriate or violate the intellectual property of a third party; make substantial payments for legal fees, settlement payments or other costs or damages; obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; redesign the allegedly infringing solutions to avoid infringement, misappropriation or violation, which could be costly, time- consuming or impossible; or indemnify third parties using our products or services.

The occurrence of infringement claims may grow as the market for our products, services and technologies grows. Accordingly, our exposure to damages resulting from infringement claims could increase and this could further exhaust our financial and management resources. We rely on certain open- source software in our quantum systems. If licensing terms change, our business may be adversely affected. Our platform utilizes software licensed to us by third- party authors under “ open- source ” licenses and we expect to continue to utilize open- source software in the future. The use of open- source software may entail greater risks than the use of third- party commercial software, as open- source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. To the extent that our platform depends upon the successful operation of the open- source software we use, any undetected errors or defects in this open- source software could prevent the deployment or impair the functionality of our platform, delay new solution introductions, result in a failure of our platform and injure our reputation. For example, undetected errors or defects in open- source software could render us vulnerable to breaches or security attacks, and, in conjunction, make our systems more vulnerable to data breaches. Furthermore, some open- source licenses require the release of proprietary source code combined with, linked to or distributed with such open- source software to be released to the public. If we combine, link or distribute our proprietary software with open- source software in a specific manner, we could, under some open- source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar solutions with lower development effort and time and ultimately put us at a competitive disadvantage. Although we monitor our use of open- source software to avoid subjecting our platform to conditions we do not intend to attach to such platform or our proprietary code, we cannot assure you that our processes for controlling such use will be effective. If we are held to have breached the terms of an open- source software license, we could be required to seek licenses from third parties to continue operating using our solution on terms that are not economically feasible, to re- engineer our solution or the supporting computational infrastructure to discontinue use of code, or to make generally available, in source code form, portions of our proprietary code. This could allow our competitors to create similar solutions with lower development effort and time and ultimately put us at a competitive disadvantage. Some of our intellectual property has been or may be conceived or developed through government- funded research and thus may be subject to federal regulations providing for certain rights for the U. S. government or imposing certain obligations on us, such as a license to the U. S. government under such intellectual property, “ march- in ” rights, certain reporting requirements and a preference for U. S.- based companies, and compliance with such regulations may limit our exclusive rights and our ability to contract with non- U. S. manufacturers. As a result, the U. S. government may have certain rights to intellectual property embodied in our current or future product candidates pursuant to the Bayh- Dole Act of 1980, or the Patent and Trademark Law Amendments Act. These U. S. government rights include a non- exclusive, non- transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U. S. government has the right, under certain limited circumstances, to require the licensor to grant exclusive, partially exclusive or non- exclusive licenses to any of these inventions to a third party if it determines that (1) adequate steps have not been taken to commercialize the invention, (2) government action is necessary to meet public health or safety needs or (3) government action is necessary to meet requirements for public use under federal regulations (also referred to as “ march- in ” rights). The U. S. government also has the right to take title to these inventions if the licensor fails to disclose the invention to the government or fails to file an application to register the intellectual property within specified time limits. Intellectual property generated under a government funded program is also subject to certain reporting requirements, compliance with which may require us to expend substantial resources. In addition, the U. S. government requires that any products embodying any of these inventions or produced through the use of any of these inventions be manufactured substantially in the United States, and some of our license agreements require that we comply with this requirement. This preference for U. S. industry may be waived by the federal agency that provided the funding if the owner or assignee of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture the products substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. To the extent any of our owned or licensed future intellectual property is also generated through the use of U. S. government funding, the provisions of the Bayh- Dole Act may similarly apply.

Additional Risks Related to Ownership of Our Securities and other General Matters

The market price of our Common Stock and Public Warrants has been and may continue to be volatile, which could cause the value of your investment to decline. The price of our Common Stock and Public Warrants has been and may continue to be volatile. From March 2, 2022, the date our Common Stock and Public Warrants began trading on Nasdaq, through March 22, 2023, our stock price fluctuated from a high of \$ 11.368 to a low of \$ 0.464, and the price of our Public Warrants fluctuated from a high of \$ 2.20 to a low of \$ 0. Numerous factors, some of which are beyond our control,

0899-**The securities markets have experienced and continue to experience significant volatility**. As a result of this volatility, investors in our common stock may not be able to sell their shares at or above the prices they paid. Further, as a result of this volatility it may be difficult for us to attract new investments, including additional offerings of our securities, on terms we consider reasonable, or at all. **The In the twelve- month period ended December 31, 2023, the market** price of our Common Stock **varied between a high of \$ 3. 25 on August 1, 2023 and a low of \$ 0. 375 on May 3, 2023 and the market price of our Public Warrants may fluctuate varied between a high of \$ 0. 53 on August 2, 2023 and a low of \$ 0. 05 on April 27, 2023. Market volatility, as well as general economic, market or political conditions, could reduce the market price of shares of our Common Stock or Public Warrants regardless of our operating performance. Our operating results could be below the expectations of public market analysts and investors** due to a variety ~~number~~ of **potential** factors, including ~~;~~ ~~without limitation~~: ~~•~~ our ability to meet our technological milestones, including any delays; ~~•~~ changes in the industries in which we and our customers operate; ~~•~~ variations in our operating performance and the performance of our competitors in general; ~~•~~ material and adverse impact of ~~the COVID-19 pandemic or the ongoing military conflict between Russia and Ukraine and the sanctions related thereto and sanctions imposed against Russia on the markets~~ **state of war between Israel and Hamas and the potential for larger regional conflict** and the broader global economy; ~~•~~ actual or anticipated fluctuations in our quarterly or annual operating results; ~~•~~ publication of research reports by securities analysts about us or our competitors or our industry; ~~•~~ the public’ s reaction to our press releases, our other public announcements and our filings with the SEC; ~~•~~ our failure or the failure of our competitors to meet analysts’ projections or guidance that we or our competitors may give to the market; ~~•~~ additions and departures of key personnel; ~~•~~ changes in laws and regulations affecting our business; ~~•~~ commencement of, or involvement in, litigation involving the Company; ~~•~~ changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; ~~•~~ ~~61~~ ~~the volume of shares of our Common Stock available for public sale, including the significant percentage of shares of our Common Stock that may be offered for resale;~~ ~~•~~ the public’ s response to press releases or other public announcements by us or third parties, including our filings with the SEC; ~~•~~ guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance, including with respect to our technology roadmap; ~~•~~ ~~62~~ ~~the development and sustainability of an active trading market for our stock;~~ ~~•~~ actions by institutional or activist stockholders; ~~•~~ changes in accounting standards, policies, guidelines, interpretations or principles; and ~~•~~ other events or factors, including recessions, increases in inflation and interest rates, disruptions to banking systems, foreign currency fluctuations, international tariffs, social, political and economic risks, natural disasters, acts of war (including the conflict involving Russia and Ukraine), terrorism or responses to such events. These market and industry factors may materially reduce the market price of our Common Stock and our Public Warrants regardless of the operating performance of the Company. In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we are involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation. We may fail to comply with the rules that apply to public companies, including Section 404 of the Sarbanes- Oxley Act, which could result in sanctions or other penalties that would adversely impact our business. As a public company, and particularly after we are no longer an “ emerging growth company, ” we **have and will continue to** incur significant legal, accounting, and other expenses that we did not incur as a private company, including costs resulting from public company reporting obligations under the Securities Act or the Exchange Act, and regulations regarding corporate governance practices. The Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act, the rules of the SEC, the listing requirements of the Nasdaq, and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. We **have begun hired, and plan** to hire **in the future,** additional accounting, finance, and other personnel in connection with our becoming, and our efforts to comply with the requirements of being, a public company, and our management and other personnel **will need to** devote a substantial amount of time towards maintaining compliance with these requirements. These requirements **will have increase increased** our legal and financial compliance costs and **will make made** some activities more time- consuming and costly. **Changes** We are currently ~~evaluating these rules and regulations and cannot predict or estimate the amount of additional costs we have made may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many any cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We cannot predict or estimate the amount of additional costs we will incur as a result of recently becoming a public company or the timing of such costs. Any changes we make in the future to comply with these obligations may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis, or at all. These reporting requirements, rules and regulations, coupled with the increase in potential litigation exposure associated with being a public company, could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or board committees or to serve as executive officers, or to obtain certain types of insurance, including directors’ and officers’ insurance, on acceptable terms. Pursuant to Sarbanes- Oxley Act Section 404, we are will be required to furnish a report by our management on our internal control over financial reporting in our Annual Reports on Form 10- K with the SEC. In order to achieve continue to maintain effective internal controls to support growth and public company requirements, we will need additional financial personnel, systems and resources. However, while we remain an emerging growth company, we are not required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To 62To achieve compliance with Sarbanes- Oxley Act Section 404 within the prescribed period, we have will be engaged in a process to enhance our documentation and evaluate our internal control over financial reporting, which is was both costly and challenging. In this regard Despite our efforts, we will need have not been able to conclude 63 continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan~~

to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude in the future, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Sarbanes- Oxley Act Section 404. We have identified material weaknesses with respect to our internal control over financial reporting. **In this regard, we will need to continue to dedicate internal and external resources, continue steps to improve control processes as appropriate, and validate through testing that controls are functioning as documented.** See We have identified material weaknesses in our internal control over financial reporting related to the lack of effective review controls over the accounting for complex financial instruments and to the design and operation of our overall closing and financial reporting processes, and we may identify additional material weaknesses in the future. The material weakness over accounting for complex financial instruments has resulted in errors in financial statements for prior periods. If we fail to remediate such material weaknesses, if we identify additional material weaknesses or if we otherwise fail to establish and maintain effective control over financial reporting, it may adversely affect our ability to accurately and timely report our financial results in the future, and may adversely affect investor confidence, our reputation, our ability to raise additional capital and our business operations and financial condition. We have incurred and will continue to incur substantial costs as a result of operating as a public company, and our management will continue to devote substantial time to new compliance initiatives. In addition, key members of our management team have limited experience managing a public company. As a public company, we incur substantial legal, accounting, and other expenses that we did not incur as a private company. For example, we are subject to the reporting requirements of the Exchange Act, the applicable requirements of the Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act, the rules and regulations of the SEC and the listing standards of Nasdaq. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business, financial condition and results of operations. Compliance with these rules and regulations increase our legal and financial compliance costs and increase demand on our systems, particularly after we are no longer an emerging growth company. In addition, as a public company, we may be subject to shareholder activism, which can lead to additional substantial costs, distract management and impact the manner in which we operate our business in ways we cannot currently anticipate. As a result of disclosure of information in this Annual Report on Form 10- K and in filings required of a public company, our business and financial condition are more visible, which may result in threatened or actual litigation, including by competitors. Certain members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage the transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day- to- day management of the business, which could adversely affect our business, financial condition, and results of operations. Concentration of ownership among our executive officers, directors and their respective affiliates may limit other stockholders' ability to influence corporate matters and delay or prevent a third party from acquiring control over us. Our current executive officers and directors and their respective affiliates beneficially own, in the aggregate, approximately **24.16.63%** of our outstanding Common Stock as of March 1, ~~2023~~ **2024**. This significant concentration of ownership may have a negative impact on the trading price for our Common Stock because investors often perceive disadvantages in owning stock in companies where there is a concentration of ownership in a small ~~64~~ number of stockholders. In addition, these stockholders will be able to exercise influence over all matters requiring stockholder approval, including the election of directors and approval of corporate transactions, such as a merger or other sale of us or our assets. This concentration of ownership could limit other stockholders' ability to influence corporate matters and may have the effect of delaying or preventing a change in control, including a merger, consolidation or other business combination, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if that change in control would benefit the other stockholders. ~~We~~ **63We** do not intend to pay cash dividends for the foreseeable future. We currently intend to retain future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as our board of directors deems relevant. Our quarterly operating results have and may fluctuate significantly and could fall below the expectations of securities analysts and investors due to seasonality and other factors, some of which are beyond our control, resulting in a decline in our stock price. Our quarterly operating results have and may fluctuate significantly because of several factors, including: ~~•~~ labor availability and costs for hourly and management personnel; ~~•~~ profitability of our products, especially in new markets and due to seasonal fluctuations; ~~•~~ changes in interest rates; ~~•~~ impairment of long- lived assets; ~~•~~ macroeconomic conditions, both nationally and locally; ~~•~~ negative publicity relating to products we serve; ~~•~~ changes in consumer preferences and competitive conditions; and ~~•~~ expansion to new markets. Reports published by analysts, including projections in those reports that differ from our actual results, could adversely affect the price and trading volume of our securities. Securities research analysts have and may establish and publish their own periodic projections for us. These projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of these securities research analysts. Similarly, if one or more of the analysts who write reports on us downgrades our stock or publishes inaccurate or unfavorable research about our business, our share price could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, our share price or trading volume could decline. If analysts cease coverage of us, the market price and volume for our securities could be adversely affected. ~~65~~ There can be no assurance that we will ~~regain~~ **maintain** compliance with the

continued listing standards of Nasdaq. If we fail to ~~maintain~~ cure our current deficiency and regain compliance with the listing requirements of the Nasdaq Capital Market ~~or fail to comply with such listing requirements in the future~~ or fail to cure any future deficiencies, we may be delisted and the price of our common stock and our ability to access the capital markets would be negatively impacted. Our common stock is currently listed for quotation on the Nasdaq Capital Market. To maintain the listing of our common stock on the Nasdaq Capital Market, we are required to meet certain listing requirements, including, among others: ~~• a minimum closing bid price of \$ 1.00 per share, and~~ ~~and~~ ~~64~~ ~~• a market value of publicly held shares (excluding shares held by our officers, directors and 10% or more stockholders) of at least \$ 1.0 million. In addition to the above requirements, we must meet at least one of the following requirements: • stockholders' equity of at least \$ 2.5 million; or • a market value of listed securities of at least \$ 35 million; or • net income from continuing operations of \$ 500,000.~~ ~~On In~~ January 25, 2023, we received a letter from the Listing Qualifications Department of ~~the~~ Nasdaq ~~Stock Market, LLC~~, indicating that, based on the closing bid price for the previous 30 ~~consecutive business days~~, the listing of our ~~common~~ **Common Stock** was not in compliance with Nasdaq Listing Rule 5550 (a) (2) to maintain a minimum bid price of \$ 1.00 per share (the "Bid Price Rule"). ~~While~~ Under Nasdaq Listing Rule 5810 (c) (3) (A), we ~~regained compliance in~~ were given a period of 180 calendar days, or until July 24, 2023 (the "Compliance Date"), to regain compliance with the Bid Price Rule. ~~If at any time during this 180-day period the closing bid price of our common stock is at least \$ 1.00 for a minimum of ten consecutive business days, we will regain compliance. If we are unable to regain compliance before the Compliance Date, we may be eligible for an additional 180 calendar days to satisfy the Bid Price Rule. To qualify, we will be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market with the exception of the Bid Price Rule, and will need to provide written notice of our intention to cure the deficiency during such additional compliance period, by effecting a reverse stock split, if necessary. However, if it appears to Nasdaq staff that we will not be able to cure the deficiency, or if we are otherwise not eligible for the additional compliance period, and we do not regain compliance by the Compliance Date, the Nasdaq Capital Market will provide written notification to us that our common stock is subject to delisting. At that time, we may appeal the delisting determination to a hearings panel pursuant to the procedures set forth in the applicable Nasdaq Listing Rules. However, there can be no assurance that, if the Company does appeal the delisting determination by Nasdaq to the panel, such appeal would be successful. There can be no assurance that we will be able to regain compliance with respect to the current deficiency including by effecting a reverse share split, or that we will be able to maintain compliance with the Nasdaq Capital Market continued listing requirements in the future or regain compliance with respect to any future deficiencies. This could impair the liquidity and market price of our common stock. In addition, the delisting of our common stock from a national exchange would have a material adverse effect on our access to capital markets, and any limitation on market liquidity or reduction in the price of our common stock because as a result of that delisting would adversely affect our ability to raise capital on terms acceptable to us, or at all. We intend to actively monitor the closing bid price of our listed Common Stock and, as appropriate, will consider available options to resolve the deficiency and regain compliance with the Bid Price Rule, including potentially seeking to effect a reverse share split, if necessary.~~ ~~66~~ "Penny stock" rules may make buying or selling our securities difficult which may make our stock less liquid and make it harder for investors to buy and sell our securities. Trading in our securities is subject to the SEC's "penny stock" rules and it is anticipated that trading in our securities will continue to be subject to the penny stock rules for the foreseeable future. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than \$ 5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends our securities to persons other than prior customers and accredited investors must, prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser's written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by these requirements may discourage broker-dealers from recommending transactions in our securities, which could severely limit the liquidity of our securities and consequently adversely affect the market price for our securities. Sales of our securities, or the perception of such sales, by us or holders of our securities in the public market or otherwise could cause the market price for our securities to decline and even in such case certain holders of our securities may still have an incentive to sell our securities. The sale of our securities in the public market or otherwise, or the perception that such sales could occur, could harm the prevailing market price of shares of our securities. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell securities in the future at a time and at a price that it deems appropriate. Resales of our securities may cause the market price of our securities to drop significantly, even if our business is doing well. The market price of our Common Stock could decline if holders of our shares sell them, including pursuant to the resale registration statements, or are perceived by the market as intending to sell them. As such, sales of a substantial number of shares of our Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Common Stock. Pursuant ~~65~~ Pursuant to registration rights we have with certain holders of our securities, we filed a resale shelf registration statement covering the resale of up to an aggregate of 96,941,181 shares of our Common Stock, which was declared effective on June 1, 2022. We have also filed a ~~agreed to register the~~ resale registration statement covering the resale of 500,000,000 shares of our Common Stock that were issued or issuable upon exercise of the Ampere Warrant. As of March 1, 2023-2024, the number of shares of our Common Stock that have been registered for resale by these holders represented approximately 61-54.58-6% of our shares outstanding (after giving effect to the issuance of shares upon exercise of outstanding Public Warrants, Private Warrants, the exercise or settlement of outstanding warrants, options or restricted stock units of Legacy Rigetti assumed in the Business Combination and exercise of the 500,000 Ampere Shares Warrant in full). In

addition, on August 11, 2022, we entered into a Common Stock Purchase Agreement (the “ Purchase Agreement ”) and a Registration Rights Agreement (the “ Registration Rights Agreement ”) with B. Riley Principal Capital II, LLC (“ B. Riley ”). Pursuant to the Purchase Agreement, subject to the satisfaction of the conditions set forth in the Purchase Agreement, we ~~have had~~ **had** the right to sell shares of our common stock in an aggregate amount up to the lesser of (i) \$ 75. 0 million and (ii) an amount not to exceed 23, 648, 889 shares of our common stock, subject to certain limitations and conditions. **As of February 15, 2024, we had sold the maximum 23, 648, 889 shares allowed under the Purchase Agreement (inclusive of 171, 008 shares issued to B. Riley in 2022 as consideration for the Purchase Agreement) and received net proceeds of \$ 33. 4 million.** **Accordingly, there are no shares remaining to be sold under the Purchase Agreement; the agreement has terminated.** We filed a registration statement ~~on Form S-1 under the Securities Act~~ to register the resale of shares of common stock sold pursuant to the Purchase Agreement ~~, which became effective on September 14, 2022~~. Given this substantial number of shares available for resale, the sale of shares by such holders, or the perception in the market that holders of a large number of shares intend to sell shares, could increase the volatility of the market price of our common stock or result in a significant decline in the public trading price of our common stock. Even if our trading price is significantly below \$ 10. 00, the offering price for ~~67~~ the units offered in Supernova’s IPO, certain holders of our securities may still have an incentive to sell shares of our common stock because they purchased the shares at prices lower than the public investors or the current trading price of our common stock. **In addition** ~~Further, the purchase price for the shares that we may sell to B. Riley under our committed equity financing will fluctuate based on the price of our common stock. Depending on market liquidity at the time, sales of such shares may cause the trading price of our common stock to fall. If and when we do sell shares to B. Riley, after B. Riley has acquired the shares, B. Riley may resell all, some, or none of those~~ **the shares purchased from us under our prior Purchase Agreement with B. Riley** at any time or from time to time in its discretion. ~~Therefore, sales to B. Riley by us could result in substantial dilution to the interests of other holders of our common stock. Additionally, the sale of a substantial number of shares of our common stock to B. Riley, or the anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales. The decision to sell any shares of our common stock to sell to B. Riley under the committed equity financing will depend on market conditions, the trading prices of our common stock and other considerations, and we cannot guarantee the extent to which we may utilize the committed equity financing.~~ Future issuances of **our debt securities and equity securities** may adversely affect us, including the ~~market~~ price of our **securities Common Stock** and may be dilutive to existing ~~stockholders~~ **securities holders**. We expect that significant additional capital will be needed in the near future to continue our planned operations. In the future, we may incur debt or issue equity ranking senior to our Common Stock. Those securities will generally have priority upon liquidation. Such securities also may be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our Common Stock. Because our decision to issue debt or equity in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. As a result, future capital raising efforts may reduce the market price of our Common Stock and be dilutive to existing stockholders. In addition, our ability to raise additional capital through the sale of equity or convertible debt securities could be significantly impacted by the resale of shares of Common Stock by selling securityholders which could result in a significant decline in the trading price of our Common Stock and potentially hinder our ability to raise capital at terms that are acceptable to us or at all. In addition, we may issue additional shares of Common Stock from time to time, including under our equity incentive plans or employee stock purchase plan, or preferred stock. Common Stock reserved for future issuance under our equity incentive plans will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144, as applicable. ~~The aggregate number of shares of our Common Stock initially reserved for future issuance under the Rigetti Computing, Inc. 2022 Equity Incentive Plan (the “ 2022 Plan ”) is 18, 332, 215 shares. We have filed a registration statement~~ **statements** on Form S- 8 under the Securities Act ~~, which became effective on June 10, 2022, to register~~ **registering** the issuance of ~~the 18, 332, 215 shares reserved under the 2022 Plan, the issuance of Common Stock under the Rigetti Computing, Inc. 2022 Employee Stock Purchase Plan (the “ Employee Stock Purchase Plan ”), which has an initial reserve of 3, 055, 370 shares, the resale of up to 18, 367, 696 shares subject to~~ **options or other** equity awards issued **or reserved for future issuance** under ~~our~~ the Rigetti & Co, Inc. 2013 Equity Incentive Plan (the “ 2013 Plan ”) and the resale of up to 2, 053 shares subject to equity **incentive plans and employee stock purchase** awards issued under QxBranch, Inc. 2018 Equity Compensation Plan **plan** (the “ QxBranch Plan ”). ~~We~~ **66In addition, we** have also filed post-effective amendments to this registration statement on Form S- 8, which became effective on June 15, 2022 and August 19, 2022, to add “ control securities ” acquired by certain executive officers under, and since the filing of, the original registration statement on Form S- 8. In addition, we may file **in the future** one or more registration statements on Form S- 8 under the Securities Act to register additional shares of Common Stock or securities convertible into or exchangeable for shares of Common Stock issued pursuant to our equity incentive plans and employee stock purchase plan, including additional registration statements on Form S- 8 to register additional shares of Common Stock pursuant to the “ evergreen ” provision **thereunder. Shares registered under the these registration statements** 2022 Plan, which provides for an annual increase under such plan on January 1 of each year for a period of ten years commencing on January 1, 2023 and ending on (and including) January 1, 2032 by an amount equal to (i) 5 % of the total number of shares of our capital stock ~~68~~ outstanding on a fully diluted basis on December 31 of the preceding year or (ii) a lesser amount determined by our board of directors, and the “ evergreen ” provision under the Employee Stock Purchase Plan, which provides for an annual increase under such plan on January 1 of each year for a period of ten years commencing on January 1, 2023 and ending on (and including) January 1, 2032 by an amount equal to the lesser of (i) 1 % of the total number of shares of our capital stock outstanding on a fully diluted basis on December 31st of the preceding calendar

year, (ii) 3,055,370 shares of Common Stock or (iii) a lesser amount determined by our board of directors. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements may be immediately available for sale in the open public market **subject to vesting arrangements and exercise of options and the restrictions of Rule 144 in the case of our affiliates**. Sales of a substantial number of shares of our Common Stock in the public market could occur at any time. Any such issuances of additional shares of Common Stock or preferred stock: **•** may significantly dilute the equity interests of our investors; **•** may subordinate the rights of holders of Common Stock if preferred stock is issued with rights senior to those afforded our Common Stock; **•** could cause a change in control if a substantial number of shares of our Common Stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, **if any**, and could result in the resignation or removal of our present officers and directors; and **•** may adversely affect prevailing market prices for our **securities. Furthermore, we currently have on file with the SEC an effective shelf registration statement on Form S-3, which allows us to offer and sell up to an aggregate amount of \$ 250.0 million of any combination of Common common Stock stock, common stock or preferred stock upon conversion of debt securities, common stock upon conversion of preferred stock, or common stock, preferred stock or debt securities upon exercise of warrants from time to time, which may be dilutive to existing securities holders and could cause the price of our securities to decline**. We are currently an “ emerging growth company ” and “ smaller reporting company ” within the meaning of the Securities Act, and to the extent we have taken advantage of certain exemptions from disclosure requirements available to emerging growth companies or smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies. We are an “ emerging growth company ” within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “ emerging growth companies ” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. As a result, our shareholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Class A ordinary shares held by non- affiliates exceeds \$ 700 million as of June 30, in which case we would no longer be an emerging growth company as of the following fiscal year. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile. Further, Section 102 (b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non- emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has ~~69~~ different application dates for public or private ~~companies~~ **67 companies**, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used. Delaware law and our Certificate of Incorporation and Bylaws contain certain provisions, including anti- takeover provisions, that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable. Our Certificate of Incorporation and bylaws of the Company (the “ Bylaws ”) and the General Corporation Law of the State of Delaware (“ DGCL ”) contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by the board of directors of Rigetti (the “ Board ”) and therefore depress the trading price of our Common Stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of the Board or taking other corporate actions, including effecting changes in our management. Among other things, the Certificate of Incorporation and Bylaws include provisions regarding: **•** providing for a classified board of directors with staggered, three- year terms; **•** the ability of the Board to issue up to 10,000,000 shares of preferred stock, including “ blank check ” preferred stock, with any rights, preferences and privileges as they may designate, including the right to approve an acquisition or other change of control; **•** provide that the authorized number of directors may be changed only by resolution of the Board; **•** provide that, subject to the rights of the holders of any series of preferred stock, any individual director or directors may be removed only with cause by the affirmative vote of the holders of at least 66 2 / 3 % of the voting power of all of the then- outstanding shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class; **•** provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum; **•** require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent or electronic transmission; **•** provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide advance notice in writing, and also specify requirements as to the form and content of a stockholder’ s notice; **•** provide that special meetings of our stockholders may be called by the chairperson of the Board, the chief executive officer or by the Board pursuant to a resolution adopted by a majority

of the total number of authorized directors; and ~~we~~ not provide for cumulative voting rights, therefore allowing the holders of a majority of the shares of Common Stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in the Board or management. ~~70 The~~ **68 The** Certificate of Incorporation designates the Court of Chancery of the State of Delaware or the United States federal district courts as the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, stockholders, employees or agents. The Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for state law claims for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee, or stockholder of Rigetti to Rigetti or our stockholders, (iii) any action or claim against the Company or any current or former director, officer or other employee or stockholder of the Company, arising out of or pursuant to any provision of the DGCL or the Certificate of Incorporation or the Bylaws, (iv) any action seeking to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws; (v) any action or claim as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (vi) any action against the Company or any current or former director, officer or other employee or stockholder of the Company, governed by the internal- affairs doctrine of the law of the State of Delaware, in all cases to the fullest extent permitted by law. The foregoing provisions will not apply to any claims as to which the Delaware Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of such court, which is rested in the exclusive jurisdiction of a court or forum other than such court (including claims arising under the Exchange Act), or for which such court does not have subject matter jurisdiction, or to any claims arising under the Securities Act and, unless we consent in writing to the selection of an alternative forum, the United States federal district courts will be the sole and exclusive forum for resolving any action asserting a claim arising under the Securities Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules or regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such Securities Act claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, the Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, United States federal district courts shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. There is uncertainty as to whether a court would enforce the forum provision with respect to claims under the federal securities laws. This choice of forum provision in our Certificate of Incorporation may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. It is possible that a court could find these types of provisions to be inapplicable or unenforceable, and if a court were to find the choice of forum provision contained in the Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition. Furthermore, investors cannot waive compliance with the federal securities laws and rules and regulations thereunder. ~~71 Our~~ **69 Our** warrants, including our Public Warrants, Private Warrants and other warrants we have issued, **and our Sponsor Vesting Shares** are accounted for as liabilities and the changes in value of our Warrants **and Sponsor Vesting Shares** could have a material effect on our financial results. We are subject to complex securities laws and regulations and accounting principles and interpretations. The preparation of our financial statements requires us to interpret accounting principles and guidance and to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. We base our interpretations, estimates and judgments on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for the preparation of our financial statements. GAAP presentation is subject to interpretation by the SEC, the Financial Accounting Standards Board and various other bodies formed to interpret and create appropriate accounting principles and guidance. If one of these bodies disagrees with our accounting recognition, measurement or disclosure or any of our accounting interpretations, estimates or assumptions, it may have a significant effect on our reported results and may retroactively affect previously reported results. On April 12, 2021, the Acting Director of the Division of Corporation Finance and Acting Chief Accountant of the SEC together issued a statement regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled "Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies ("SPACs")" (the "SEC Statement"). Specifically, the SEC Statement focused on certain settlement terms and provisions related to certain tender offers following a business combination, which terms are similar to those contained in the warrant agreement governing our Warrants. As a result of the SEC Statement, ~~Rigetti we~~ reevaluated the accounting treatment of ~~the our~~ 8, 625, 000 Public Warrants and 4, 450, 000 Private Warrants ~~and~~ determined to classify the Warrants as derivative liabilities measured at fair value, with changes in fair value each period reported in earnings. As a result, included in **our Rigetti's** balance sheet sheets as of **December 31, 2023 and** December 31, 2022 contained in this Annual Report on Form 10- K are derivative liabilities related to embedded features contained within our Warrants. Accounting Standards Codification 815, Derivatives and Hedging ("ASC 815"), provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non- cash gain or loss related to the change in the fair value being recognized in earnings in the statements of operations. As a result of the recurring fair value measurement, our financial statements and results of operations may fluctuate quarterly, based on factors ~~which~~ are outside of our control. Due to the recurring fair value measurement, we expect that we

will recognize non-cash gains or losses on our Warrants each reporting period and that the amount of such gains or losses could be material. The impact of changes in fair value on earnings may have an adverse effect on the market price of our securities. No assurance can be given that additional guidance or new regulations or accounting principles and interpretations will not be released that would require us to reclassify our Warrants as liabilities measured at fair value, with changes in fair value reported each period in earnings and/or require a restatement of our financial statements with respect to treatment of the Warrants or the Sponsor Vesting Shares. Any such restatement of our financial results could, among other potential adverse effects: result in us incurring substantial costs; affect our ability to timely file our periodic reports until the restatement is completed; divert the attention of our management and employees from managing our business; result in material changes to our historical and future financial results; result in investors losing confidence in our operating results; subject us to securities class action litigation; and cause our stock price to decline. For example, in connection with the preparation of our Report on Form 10-Q for the quarterly period ended September 30, 2022, the audit committee of our board of directors, based on the recommendation of, and after consultation with, our management, and as discussed with our independent registered public accounting firm, concluded that our previously issued unaudited interim condensed consolidated financial statements for the quarters ended March 31, 2022 and June 30, 2022 could no longer be relied upon and require restatement in order to revise the volatility assumption in the valuation methodology with respect to Sponsor Vesting Shares, revise the fair value for our Private Warrants and correct an immaterial error related to the valuation of the warrant liability with respect to the warrants issued to Trinity Capital Inc., in addition to other matters. As a result, we filed amendments..... business operations and financial condition. Our Warrants are exercisable for Common Stock, the exercise of which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders. As a result of the Business Combination being consummated, outstanding Warrants to purchase an aggregate of 13,074,972 shares of Common Stock became exercisable in accordance with the terms of the warrant agreement. These Warrants became exercisable on April 1, 2022. The exercise price of these Warrants is \$ 11.50 per share, or approximately \$ 150.4 million, assuming none of the Warrants are exercised through “cashless” exercise. To the extent such Warrants are exercised, additional shares of Common Stock will be issued, which will result in dilution to the holders of Common Stock and increase the number of shares eligible for resale in the public market. We believe the likelihood that warrant holders will exercise their Warrants, and therefore the amount of cash proceeds that we would receive, is dependent upon the trading price of our Common Stock. If the trading price for our Common Stock is less than \$ 11.50 per share, we believe holders of our Public Warrants and Private Warrants will be unlikely to exercise their Warrants. On March 22-1, 2023-2024, the last reported sales price of our Common Stock was \$ 0-1. 573-86 per share. Sales of substantial numbers of such shares in the public market or the fact that such Warrants may be exercised could adversely affect the market price of Common Stock. However, there is no guarantee that the Public Warrants will ever be in the money prior to their expiration, and as such, the warrants may expire worthless. See “The warrants may never be in the money, and they may expire worthless and the terms of the Public Warrants may be amended in a manner adverse to a holder if holders of at least 50% of the then outstanding Public Warrants approve of such amendment.” 73-The Warrants may never be in the money, and they may expire worthless and the terms of the Public Warrants may be amended in a manner adverse to a holder if holders of at least 50% of the then outstanding Public Warrants approve of such amendment. The exercise price for our Warrants is \$ 11.50 per share of Common Stock. We believe the likelihood that warrant holders will exercise their Public Warrants and Private Warrants, and therefore the amount of cash proceeds that we would receive, is dependent upon the trading price of our Common Stock. If the trading price for our Common Stock is less than \$ 11.50 per share, we believe warrant holders will be unlikely to exercise their Warrants. There is no guarantee that the warrants will be in the money following the time they become exercisable and prior to their expiration, and as such, the Warrants may expire worthless. Our Warrants became exercisable on April 1, 2022. The Warrants were issued in registered form under a warrant agreement (the “warrant agreement”) between American Stock Transfer & Trust Company, as warrant agent, and Supernova. The warrant agreement provides that the terms of the Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision or correct any mistake, but requires the approval by the holders of at least 50% of the then-outstanding Public Warrants to make any change that adversely affects the interests of the registered holders of Public Warrants. Accordingly, we may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 50% of the then-outstanding Public Warrants approve of such amendment and, solely with respect to any amendment to the terms of the Private Warrants or any provision of the warrant agreement with respect to the Private Warrants, 50% of the number of the then outstanding Private Warrants. Although 71 Although our ability to amend the terms of the Public Warrants with the consent of at least 50% of the then-outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the Warrants, convert the Warrants into cash, shorten the exercise period or decrease the number of shares of Common Stock purchasable upon exercise of a Warrant. We may redeem your unexpired Warrants prior to their exercise at a time that is disadvantageous to the holder, thereby making such Warrants worthless. We have the ability to redeem outstanding Warrants at any time after they become exercisable and prior to their expiration, at a price of \$ 0.01 per warrant, provided that the last reported sales price of the Common Stock equals or exceeds \$ 18.00 per share (as adjusted for share subdivisions, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. If and when the Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Warrants could force you to: (i) exercise your Warrants and pay the exercise price therefore at a time when it may be disadvantageous for you to do so; (ii) sell your Warrants at the then-current market price when you might otherwise wish to hold your Warrants; or (iii) accept the nominal redemption price which, at the time the outstanding Warrants are called for redemption, is likely to be substantially less than the market value of your Warrants. In addition, we may redeem your Warrants at any time after they

become exercisable and prior to their expiration at a price of \$ 0. 10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their Warrants prior to redemption for a number of shares of Common Stock determined based on the redemption date and the fair market value of our Common Stock. The value received upon exercise of the Warrants (1) may be less than the value the holders would have received if they had exercised their warrants at a later time where the underlying share price is higher and (2) may not compensate the holders for the value of the Warrants, including because the number of shares of Common Stock received is capped at 0. 361 per share of Common Stock per warrant (subject to adjustment) irrespective of the remaining life of the warrants. None of the Private Warrants will be redeemable by us, subject to certain circumstances, so long as they are held by Supernova Partners II LLC (" Supernova Sponsor ") or its permitted transferees. ⁷⁴

The warrant agreement designates the courts of the State of New York or the United States District Court for the Southern District of New York as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by holders of warrants, which could limit the ability of warrant holders to obtain a favorable judicial forum for disputes with us. The warrant agreement provides that, subject to applicable law, (i) any action, proceeding or claim against us arising out of or relating in any way to the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and (ii) that we irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. Under the warrant agreement, we also agree that we will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Notwithstanding the foregoing, these provisions of the warrant agreement do not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in any of the Public Warrants or Private Warrants will be deemed to have notice of and to have consented to the forum provisions in our warrant agreement. ⁷²